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QIUSHI [SEEKING TRUTH]
No 10, 16 May 1990

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On Several Issues Concerning the Development of a Splendid National Culture—Speech Delivered at the National Seminar on the Situation in Cultural and Art Work (10 January 1990)

HK0606051790 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 10, 16 May 90 pp 2-15

[Comparison of RENMIN RIBAO version published in FBIS-CHI-90-099, 22 May 90 pp 23-35]

Beijing QIUSHI [SEEKING TRUTH] in Chinese No. 10, published on 16 May, carries on pages 2-15 a 21,000-character article by Li Ruihuan entitled "On Several Issues Concerning the Development of a Splendid National Culture—Speech Delivered at the National Seminar on the Situation in Cultural and Art Work (10 January 1990)." This text has been compared with the RENMIN RIBAO version published in the 22 May China DAILY REPORT (FBIS-CHI-90-099) and found to be identical, except for the following variation: Page 29, column one, only subhead, in the QIUSHI version reads: The Relations Between Inheritance and Development.

The Basic Law of the Hong Kong Special Administrative Region Is a Vivid Expression of One Country, Two Systems

HK1406113090 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 10, 16 May 90 pp 16-19

[Article by Xiong Fu (0917 1788)]

[Text] The "Basic Law of the Hong Kong Special Administrative Region" approved by the Seventh National People's Congress [NPC] at its Third Session is, as noted by Comrade Deng Xiaoping, a legal document of historic and international significance. An outstanding feature of this law is that it combines principle with flexibility and gives concrete embodiment to the great concept of "one country, two systems." In other words, it lays down in legal form the basic principles and policies regarding "one country, two systems" set forth by the Chinese Government in the Sino-British "Joint Declaration." The basic content of this law stipulates, on the one hand, that national sovereignty, unity, and territorial integrity will be upheld and, on the other hand, that the Hong Kong Special Administrative Region [HKSAR] will be authorized by the NPC to exercise a high degree of autonomy. These two aspects are both unified and inseparable. On this premise, Hong Kong's capitalist system shall be preserved and its prosperity and stability shall be maintained.

On the question of Hong Kong, the overriding historical and immediate factor is that Hong Kong has been part of China's territory since ancient times and that sovereignty over Hong Kong belongs to the People's Republic of China. Hong Kong became a British colony because the British imperialists imposed unequal treaties on the Chinese people. The signing of the "Joint Declaration" between the Chinese and British Governments in effect

announced the abrogation of these unequal treaties. The "Joint Declaration" stipulates that the British Government will restore Hong Kong wholly and totally to the PRC on 30 June 1997, and that the PRC Government will resume the exercise of sovereignty over Hong Kong with effect from 1 July 1997. It is precisely on the basis of this historical and immediate factor that the fundamental stand of the Chinese people, including Hong Kong compatriots, on the Hong Kong question is established.

The content of the "Basic Law of the HKSAR" fully embodies the principle of upholding national sovereignty, unity, and territorial integrity. As stated in the Preamble, the Government of the PRC will resume the exercise of sovereignty over Hong Kong with effect from 1 July 1997 and the HKSAR will be established, with the upholding of national sovereignty, unity, and territorial integrity and the maintenance of Hong Kong's prosperity and stability as its starting point. The Preamble and General Principles both state that the establishment of the HKSAR, the formulation the Basic Law of the HKSAR and the practice of the policy of "one country, two systems" shall all be based on provisions of the PRC Constitution. As stipulated in the Basic Law, the HKSAR is an inalienable part of the PRC and is a local administrative region directly under the authority of the central people's government; the HKSAR shall be authorized by the NPC to exercise a high degree of autonomy; the central people's government shall be responsible for the foreign affairs and defense of the HKSAR; the courts of the HKSAR shall have no jurisdiction over acts of state such as defense and foreign affairs; the chief executive and principal officials of the executive authorities of the HKSAR shall be Chinese nationals who are permanent residents of the Region with no right of abode in any foreign country and shall be appointed by the central people's government; no law enacted by the legislature of the HKSAR shall contravene the Basic Law; the power of enactment and amendment of the Basic Law shall be vested in the NPC, and the power of interpretation shall be vested in the Standing Committee of the NPC. Article 23 of the Basic Law stipulates that the HKSAR shall enact laws on its own to prohibit any act of treason, secession, sedition, subversion against the central people's government, or theft of state secrets, to prohibit foreign political organizations or bodies from conducting political activities in the Region, and to prohibit political organizations or bodies of the Region from establishing ties to foreign organizations or bodies. Article 18 of the Basic Law also stipulates that in the event that the Standing Committee of the NPC decides to declare a state of war or, by reason of turmoil within the HKSAR which endangers national unity or security and is beyond the control of the government of the Region, decides that the Region is in a state of emergency, the central people's government may issue an order applying the relevant national laws in the Region. These stipulations all clearly embody the principle of national sovereignty. In whatever sense, the HKSAR is not an independent or semi-independent political entity.

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As we all know, the "Joint Declaration" on the question of Hong Kong signed by the Chinese and British Governments on 19 December 1984 provides for the transfer of government in Hong Kong in 1997. At the same time, the Chinese Government also elaborated the policies of China regarding Hong Kong in Annex I to the "Joint Declaration." After resuming the exercise of sovereignty over Hong Kong in 1997, China will, adhering to the principle of "one country, two systems" and relevant policies, and in accordance with the "Basic Law of the HKSAR" approved by the Third Session of the Seventh NPC, let Hong Kong be administered by its own people and enjoy a high degree of autonomy. This is China's own internal affair. Before this is realized, there are indeed questions of bilateral relations between the Chinese and the British Governments.

As far as Sino-British relations are concerned, we hope to continue to maintain and develop relations of friendly cooperation on the question of Hong Kong in accordance with the "Joint Declaration" between the Chinese and British Governments. Be it during the period of transition or after Hong Kong's return to the motherland, it is in the common interests of the two governments to maintain the economic prosperity and social stability of Hong Kong. To this end, we hope to ensure a smooth transition, a smooth transfer of government, as well as better developed and strengthened ties between Hong Kong and the mainland through friendly cooperation between the two countries. Put in another way, we do not wish to see abnormal turns in Sino-British relations. We will tolerate no compromise or concession on the question of sovereignty over Hong Kong.

The Chinese people, including Hong Kong compatriots, have full confidence in Hong Kong's future prospects. The "Basic Law of the HKSAR" approved by the Third Session of the Seventh NPC is an unmistakable proof of this confidence, as well as a sure guarantee. On the question of Hong Kong, "confidence" refers to confidence in "one country, two systems," and "popular will" refers to popular demand for "one country, two systems." We can find clear and specific provisions for the principle and policy of "one country, two systems" in the "Basic Law of the HKSAR." The Preamble and General Principles of this law stipulate that under the principle of "one country, two systems," the socialist system and policies will not be practiced in Hong Kong, and the previous capitalist system and way of life shall remain unchanged for 50 years. The Basic Law also stipulates that China shall authorize the HKSAR to exercise a high degree of autonomy. To guarantee that the HKSAR can truly enjoy the power to exercise a high degree of autonomy, the Basic Law has made special provisions with respect to the social and economic systems; the executive, legislative, and judicial systems; the system for safeguarding the fundamental rights and freedom of its residents; and the relevant policies to be practiced in the HKSAR. According to the provisions of the Basic Law, the HKSAR is authorized by the NPC to exercise wide-ranging powers of autonomy. They include: The

HKSAR shall be vested with executive power, legislative power, and independent judicial power, including that of final adjudication; the executive authorities and legislature of the HKSAR shall be composed of permanent residents of the Region in accordance with the relevant provisions of the Basic Law; the laws previously in force shall be maintained except for those which are in contradiction to the Basic Law or in cases where amendments have been made by the legislature of the HKSAR; the HKSAR shall practice an independent taxation system and maintain its status a free port, a separate customs territory, and an international financial center. The HKSAR shall, on its own, formulate policies on finance, trade, science, education, culture, and other areas; issue Hong Kong currency; conduct relevant external affairs in accordance with the Basic Law; and may, using the name "Hong Kong, China," participate in international organizations and conferences not limited to states. The HKSAR shall be responsible for the maintenance of public order in the Region. In addition, the Basic Law also stipulates that the HKSAR may enjoy other powers granted to it by the NPC, the Standing Committee of the NPC or the Central People's Government. China is a unified socialist country which practices national autonomy in the national minority regions. We can see from the Basic Law that the autonomous power vested in the HKSAR by the state is much more extensive than local administrative power in general, even in comparison with that enjoyed by the national minority regions.

No doubt, the "Basic Law of the HKSAR" fully represents the wishes and interests of all Chinese people, including Hong Kong compatriots. Since the NPC Standing Committee promulgated the "Draft Basic Law of the HKSAR," which was later submitted to the Third Session of the Seventh NPC for approval, the broad masses of Hong Kong compatriots and the people of the whole country alike have expressed satisfaction with the Basic Law. We believe the "one country, two systems" concept will definitely strike deeper roots in the hearts of the people in Hong Kong as well as in China after the "Basic Law of the HKSAR" has been adopted. It will further link the prosperity and stability of Hong Kong with the steady development of the mainland, in other words, tie the prospects of Hong Kong to the destiny of the motherland, thereby ensuring the smooth implementation of the Basic Law.

Three questions are at stake here. The Chinese people, including Hong Kong compatriots, must have a clear and definite understanding of these questions. They are all inseparably linked with the sacred cause of the return of Hong Kong to the motherland, the upholding of national unity and territorial integrity, and the vindication of the dignity of the Chinese nation.

The first question concerns the relationship between Hong Kong and the mainland. It has been proven by history that even when separated from the womb of the motherland, Hong Kong is still as closely related to the mainland as lips and teeth and cannot but be like this.

This close relationship has always been the fundamental condition for the historical and immediate development of Hong Kong. It was the case in the past when it was separated from the womb of the motherland, and will be the case when it returns to the embrace of the motherland. The policy of reform and opening the country to the outside world practiced by the Chinese Government has already brought Hong Kong and the mainland closer together. In 1984, the year when the "Joint Declaration" was signed, total turnover of trade between Hong Kong and the mainland was HK\$95.1 billion [Hong Kong dollars]; turnover soared to HK\$288.5 billion in 1988, an increase of more than three times in five years. Hong Kong investment on the mainland was a mere \$1 billion in 1984, but exceeded \$3 billion in 1988, also showing an increase more than 300 percent. Today, China's trade through Hong Kong accounts for 75 percent of Hong Kong's entrepot trade, making China Hong Kong's number-one trading partner. Hong Kong investment on the mainland accounts for 70 percent of foreign investment here. This also puts Hong Kong businessmen in the lead. Since 1985, Mainland China has had the number-one position in Hong Kong's total volume of import trade. These facts fully demonstrate two important aspects of the relations between Hong Kong and the mainland. On the one hand, Hong Kong's economic prosperity and development are fundamentally dependent on support from the mainland. Just imagine, without the favorable geographical position of being situated back to back with Mainland China, without the favorable position of being the gateway to China, and without the supply of natural and labor resources, raw and semi-finished materials, fresh water, foodstuffs, and daily necessities from the mainland, it would have been impossible for Hong Kong to maintain long-term prosperity and development. On the other hand, China's reform, open-door policy, and development also need an external bridge and channel like Hong Kong to serve as an important supplement to the realization of socialist modernization. As an international financial center, Hong Kong can and will play an important role as a bridge and channel in China's economic and cultural development, in China's economic and cultural exchanges with the rest of the world, in expanding China's import and export trade, as well as in absorbing and importing foreign funds, advanced technology, and advanced managerial experience. These two aspects will greatly advance and promote Hong Kong's prosperity and stability. Hong Kong has been a major beneficiary of the reform and open-door policy since China first practiced this policy. After returning to China and putting into practice the concept of "one country, two systems," Hong Kong will be the biggest beneficiary of this policy. As Hong Kong compatriots see it, the relationship between Hong Kong and the mainland is the close tie between two parts of an integrated motherland which share all ups and downs and develop together. This is only natural. The idea that Hong Kong and the mainland must be "insulated" or "segregated" in order to have a future is not in keeping with history, not in keeping with Hong Kong's reality, and not in keeping with the prospects for Hong Kong's future development.

The second question concerns the relationship between the HKSAR and the central people's government. Under the provisions of the "Basic Law of the HKSAR," the HKSAR, as a local administrative region of the PRC, comes directly under the central people's government. In other words, the relationship between the HKSAR and the central people's government is one between the local and central authorities. According to the "Basic Law of the HKSAR," Hong Kong shall enjoy and exercise a high degree of autonomy. However, this autonomy is vested by the NPC, and its exercise is conditioned by national unity and sovereignty. In other words, this power is to be exercised on the premise of upholding national sovereignty and being conducive to national unity, and within the limits of the provisions of the "Basic Law of the HKSAR." In no sense does a high degree of autonomy imply that Hong Kong can become an independent or semi-independent political entity that is separated from the womb of the motherland and that breaks up national sovereignty and unity. Since the relationship is one between local and central authorities, the question of how administrative power is to be divided will naturally arise. In this connection, the "Basic Law of the HKSAR" has laid down clear provisions in a special chapter. Authority over foreign affairs and defense (including the stationing of troops in Hong Kong for defense purposes) belongs to the central people's government. This is the authority that the central authorities must have to uphold national unity, territorial integrity, and the overall interests of the country and the people. The stationing of troops in Hong Kong by the central people's government is a defense necessity as well as a symbol of sovereignty. It goes without saying that, in order to show respect for the high degree of autonomy enjoyed by the HKSAR, the central authorities need not and absolutely will not interfere in the day-to-day administration of Hong Kong. However, it is inconceivable that the power of the central authorities to uphold sovereignty, territorial integrity, and national unity and to safeguard the overall interests of the state and the people can be weakened or relinquished on the pretext of letting Hong Kong exercise a high degree of autonomy. That is something which the people of this nation, including the compatriots in Hong Kong, could never allow.

The third question is the relationship between the capitalist system in Hong Kong and the socialist system on the mainland. Under the principle of "one country, two systems," the relationship between the two is primarily "the common identity of one country," that is, both belong to the same sovereign state, and that sovereign state is the PRC. In addition, there are "differences between two places," that is, the socialist system is practiced on the mainland, while the capitalist system is practiced in Hong Kong. It is the choice of history that the 1.1 billion people on the mainland are taking the socialist road. It is also the choice of history that Hong Kong compatriots are taking the capitalist road. Despite differences in social systems, mainlanders and Hong Kong compatriots are members of the same family. "Differences between two places" must be subordinated

to "the common identity of one country." That is to say, mainlanders and Hong Kong compatriots alike must seek "the common identity of one country" by supporting national unity, upholding the territorial integrity of the state, defending the dignity of the Chinese nation, and devoting themselves to the great cause of rejuvenating China. On the premise of maintaining "the common identity of one country," they must preserve the "differences between two places." They must recognize and respect each other's social system, ideology, sense of value, and way of life, not interfere in each other's business, with one practicing capitalism and the other practicing socialism, live in harmony, seek common ground while reserving differences, show mutual understanding, and be reasonable and congenial toward each other, so as to achieve the aim of mutual assistance and benefit. We do not expect Hong Kong compatriots to accept the socialist system, and Hong Kong compatriots should understand and respect the choice made by the 1.1 billion mainlanders to unswervingly follow the socialist road. Both mainlanders and Hong Kong compatriots must resolutely oppose all acts that jeopardize national sovereignty and split national unity, and oppose turning "one country, two systems" into "two countries, two systems." Similarly, both mainlanders and Hong Kong compatriots must resolutely oppose the supersession of one system by the other, thereby turning "one country, two systems" into "one country, one system." Our party's practice of the principle of "one country, two systems" and relevant policies in relation to Hong Kong covers the promise that Hong Kong's capitalist system and way of life will remain unchanged for at least 50 years. In other words, this principle and these policies of our party's will remain unchanged for at least 50 years, and the socialist system on the mainland will not be practiced in Hong Kong. By the same reckoning, Hong Kong compatriots should understand that they cannot practice their capitalist system on the mainland, and cannot interfere with or attempt to change the socialist system on the mainland. Actions of this type are detrimental to the interests of the great cause of national unity as well as the interests of Hong Kong's own prosperity and development. This is so because, in the final analysis, an independent, united, strong, and prosperous socialist China is the most reliable guarantee of Hong Kong's prosperity and stability.

Make Unremitting Efforts To Carry Out Socialist Ideological Education Among the Peasants

HK1207013090 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 10, 16 May 90 pp 20-24

[Article by Xiong Qingquan (3574 3237 3123)]

[Text] In the spirit of the directives of the party Central Committee, and on the basis of full investigations and study and conscientious tests at selected places, the Hunan Provincial Party Committee decided, in December of last year, to conduct in-depth socialist ideological education in the rural areas of the whole province and to dispatch 50,000 cadres from party and

government organs at and above the county level to grassroots units to assist in this work. From the work done in the past few months, we have come to realize that conducting socialist ideological education in the rural areas is entirely necessary for strengthening the socialist positions in the countryside, further consolidating the worker-peasant alliance, promoting rural reform and the building of spiritual and material civilization, strengthening the fighting power of rural party organizations, and maintaining closer ties between the party and the people.

Enhancing the Socialist Awareness of the Peasant Masses Is the Ideological Foundation for Consolidating the Worker-Peasant Alliance

The worker-peasant alliance is the foundation of the people's democratic dictatorship; it is the guarantee for the continuous development of our cause. Relying on the worker-peasant alliance, our party has won one great victory after another in the new democratic revolution, socialist revolution and socialist construction. Today, it is also necessary for us to unswervingly rely on the worker-peasant alliance in our endeavor to build socialism with Chinese characteristics. The role of the worker-peasant alliance has become all the more important particularly at a time like the present when we are confronted with so many new changes and new problems in the domestic and international situation. As Comrade Jiang Zemin pointed out in his address to the meeting in celebration of the 40th anniversary of the founding of the PRC: "This is the fundamental condition for the stability of our country and our society." China has a population of 1.1 billion, 900 million of whom live in the rural areas. Agriculture is the foundation of the national economy, the industry that has a vital bearing on the safety and well-being of the nation. We must attach great importance to the questions of the peasantry and agriculture, further consolidate the worker-peasant alliance on this new basis, fully arouse the socialist enthusiasm of the peasants, make concerted efforts to promote agriculture, and accord top priority to the maintenance of stability in the rural areas. Only in this way can we ensure the smooth progress of the drive to improve the economic environment, straighten out the economic order and deepen the reforms, promote the steady development of the national economy, and promote the stability and unity of the whole society.

In order to establish a well-consolidated worker-peasant alliance, effective measures must be taken in the political, economic, educational, scientific, cultural and other spheres to help the peasants develop production so they can achieve more economic benefits. At the same time, it is also necessary to help the peasants enhance their awareness and better exercise their democratic rights. In this way, the worker-peasant alliance will have a solid material and ideological foundation. At present, most people are aware that the peasants need the support of the party and the government in respect to policy, science and technology, and material input, but there is a lack of consensus on the fact that they also need us to

show them concern ideologically and politically and to educate them. Some comrades said that the worker-peasant alliance would become consolidated when agriculture was developed and modernized. This idea is one-sided. The worker-peasant alliance is an alliance formed by the working class and the peasant masses for the ultimate realization of socialism. Naturally this alliance should be established step by step on the basis of the socialist modernization of agriculture and economic prosperity for the peasantry. But this is not enough. Efforts must also be made to continuously enhance the socialist awareness of the peasants. Only socialism can satisfy the common interests of the workers and peasants, and only socialist ideology can firmly hold the worker and peasant masses together. Unswervingly using socialist ideology to educate and arm the peasants is an indispensable ideological foundation for consolidating the worker-peasant alliance.

Educating the peasants does not suggest in any way that they are beneath us. It is a gesture of concern and an attempt to further improve their quality. Chinese peasants are good peasants who are industrious, brave and full of understanding. They are the natural allies of the working class. However, this does not mean that they do not need to be educated and guided. Lenin held that the working class cannot spontaneously generate socialist ideas, that workers have to rely on the inculcation and education of the proletarian political party to grasp advanced socialist ideas. If this is the case with the working class, which is the representative of advanced productive forces, it is all the more necessary to conduct socialist ideological education among the peasants. In the four decades since the founding of the People's Republic, Chinese peasants have, under the party's leadership, embarked on the socialist road and made positive efforts toward eliminating the remnant ideas of feudalism and the traditional forces of habit of small production. Since the Third Plenary Session of the 11th CPC Central Committee, in particular, the ideological concepts and mental outlook of the peasants have undergone profound changes following the deepening of rural reform and the rapid growth of the commodity economy in the countryside. However, we should see that in our country which has gone through long years of feudal rule, the thorough elimination of feudal influences is a long-term task. In addition, in the course of developing the commodity economy and opening the country to the outside world, the peasants will unavoidably be exposed to the influence of bourgeois ideas. As proven by a host of facts, Comrade Mao Zedong's thesis that "the education of the peasantry is a serious question" has not become outmoded.

Only by Persisting in Socialist Ideological Education Can We Guarantee the Socialist Orientation of Rural Reform

The tremendous successes achieved in rural reform over the past 11 years have given the vast countryside a powerful shot in the arm and brought about great vitality. The agricultural problem, which had been a

cause of anxiety for many years in the past, has seen a substantial breakthrough. However, strictly speaking, our agricultural problem has not been truly resolved, and more hard work is still necessary. Breakthroughs in the rural areas come from reform, and the only way to achieve further development in the rural areas is through reform. Rural reform must be upheld and deepened.

In what direction should rural reform deepen and develop? On this question there are two diametrically opposed views and distinctly different suggestions. One is the view consistently upheld by the party Central Committee and Comrade Deng Xiaoping, which maintains that we should deepen reform on the premise of upholding the socialist orientation, adhering to public ownership as the mainstay and preventing the polarization of the rich and the poor. The other is the road of privatization and capitalist agriculture advocated by people who cling to the stand of bourgeois liberalization. Some people regard the current system of the collective ownership of land in the rural areas as the worst system of ownership and deemed that another land reform was in order. Some people say that since the contracted responsibility system based on the household was introduced in the first phase of rural reform, the private ownership of land should be introduced in the second phase. Toward these two suggestions, the vast numbers of peasants will no doubt resolutely support the first and be opposed to the second. However, due to the fact that ideological and political work in the rural areas was seriously weakened during the past few years, all kinds of nonsocialist ideas, including ideas of bourgeois liberalization, sneaked in, giving a small number of cadres and masses wrong ideas. Some peasants, thinking that land contracting means the private ownership of land, demanded that all collectively owned hills, woods, water surfaces and public utilities be divided. Some cadres saw the termination of the practice of "headlong mass action" as the failure of socialist collective agriculture and thought that private ownership alone could arouse the enthusiasm of the peasants. They all rushed to "build big enterprises," thinking that "he who hires the largest number of workers makes the biggest contribution to society." Although these situations have not yet become common occurrences, they are worth our vigilance. If they are allowed to take their own course, our rural reform will definitely be led astray.

In order to ensure that the rural areas will keep forging ahead along the socialist orientation, we have concentrated on grasping education in the following five areas:

- 1. Conduct education on the superiority of the socialist system to strengthen the socialist belief of the peasants.** The peasants are deeply aware of the tremendous changes that have taken place in the rural areas in the 40 years since the founding of the People's Republic and in the 11 years since reform. In conducting this education, we began by organizing the peasants to review the past, sum up experience and talk at length about the good points of socialism. In so doing, we were able to further enhance the understanding on the part of the peasants

that only socialism can save China and that China can only develop under socialism. At the same time, we also made it clear to the peasants that socialism, as a brand-new social system, needs constant development and improvement, and that the superiority of socialism cannot be fully brought into play unless reform is carried out.

2. Conduct education on the socialist nature of rural reform to enhance the awareness of the peasants in following the socialist road. We tried to make the peasants understand that reform is the self-improvement of the socialist system and is not aimed at fundamentally changing the socialist system. The system of contracted responsibility based on the household in the rural areas is a form of production responsibility that upholds the socialist public ownership system. It does not mean going it alone, still less does it mean private ownership. In the future, we must adhere to the socialist orientation in developing the rural areas and the rural reform, and on no account must we move away from the socialist road. We must take the gradual realization of common prosperity as our objective, and on no account must we bring about polarization.

3. Conduct education on the stability of the party's current rural policies to increase the peasants' sense of policy stability. Bearing in mind the peasants' fear for policy changes, cadres going down to the grassroots units made use of all opportunities and adopted various forms to publicize among the peasants the correctness of the party's principles and policies regarding the rural areas since the Third Plenary Session of the 11th CPC Central Committee, as well as the necessity of maintaining the stability of these policies. They also publicized "the seven specific policies that will be kept stable and will remain unchanged." The policies that will remain unchanged are: The policy of developing a variety of economic sectors on the premise of adhering to public ownership as the mainstay; various output-related systems of contracted responsibilities based on the household; the diverse forms of distribution with distribution according to work as the mainstay; the policy of allowing some people to become well-off first through sincere labor and legitimate operations with the achievement of common prosperity as the final goal; the policy of encouraging and supporting township enterprises and domestic sidelines; the agricultural product purchasing policy which combines the planned economy with regulation by market forces; and the policy of continuing to readjust and optimize the rural industrial structure under the guidance of the principle of "never slackening our efforts in agricultural production and taking positive steps to develop diverse economic undertakings."

4. Conduct education on the necessity of developing and strengthening the rural collective economy to enhance the peasants' concept of the socialist collective economy. On the one hand, we told the peasants that the system of contracted responsibilities in the rural areas will be a stable policy and will be improved. The peasants were also told that the central link in the present improvement

of two-tier operation is to develop the village-level collective economy and enhance the functions of unified operations and unified services. On the other hand, we made use of advanced models of village-level economic undertakings with a well-developed service structure to publicize the great significance of the development of the village-level economy in opening up natural resources, absorbing surplus labor, lightening the peasants' burden, promoting common prosperity and increasing the rallying force of socialism. On the basis of a higher level of understanding, the cadre masses were organized to devote major efforts to the development of village-level collective enterprises according to local conditions. Those with the necessary conditions to run factory were encouraged to run factories, and those with the necessary conditions to open up resources were encouraged to open up resources. The main emphasis should be put on the development of barren hills and idle water surfaces with the hope of successfully running "green enterprises" and "blue enterprises." Originally, 20 percent of the villages in our province were "complete blanks" as far as collective enterprises were concerned. In the course of the current socialist ideological education, quite a number of these villages have started to set up this kind of enterprises.

5. Conduct education on the correct handling of the relationship between the interests of the state, the collective and the individual. Since the implementation of the output-related system of contracted responsibilities in the rural areas, the concept of commodity economy and the sense of democracy on the part of the vast numbers of peasants have been greatly strengthened. This represents progress of historic significance. On the other hand, the concept of the state and the collective among some peasants has been obviously weakened, and the relationship between the state, the collective and the individual has not been correctly handled. Some peasants gave not the slightest thought to state plans or contracts. They built houses, fired bricks or whatever else took their fancy on the land they contracted. They snatched and forcibly took possession of public property. They got married when they felt the urge even though they had not reached the legal age. They gave birth to children above the specified quota when they were so inclined, totally disregarding the state's planned birth control policy. They refused to hand over money for the purchase of grain, tax payments or amounts retained by the collective when they did not feel like paying. In the formula "after handing over sufficient amounts to the state and retaining sufficient amounts for the collective, what is left is one's own," only the "one's own" part was rigidly adhered to. These ideas and actions on the part of a handful of peasants not only affected the fulfillment of state tasks, but also increased the difficulty of rural work. The major responsibility for these phenomena lies in the fact that we have not firmly grasped education. As Comrade Deng Xiaoping pointed out: The biggest mistake of the past 10 years lies in the fact education and ideological and political work have been neglected. During the past few years, many rural areas have not

held any meetings, have not organized any study sessions, and have not given any citations or conducted criticisms. Quite a large number of cadres only engrossed themselves in work for its own sake all the year round, paying no attention to education or the need to enhance the awareness of the peasants.

In the light of this situation, we have, in conducting socialist ideological education in the rural areas, devoted major efforts to unfolding activities of "cherishing the nation, the collective and socialism" and "striving to be the first in turning over (profits and taxes) to the state and striving to make more contributions." First, we tried to state the reasons clearly. We explained why the state and the family are inseparable, why the peasants are still collective peasants after the implementation of the system of contracted responsibilities, why the relationship between the state, the collective and the individual must be correctly handled, why due attention must be paid to the interests of all three, and why personal interests must be subordinated to overall interests. In recent years, the state has given our province tremendous assistance in providing relief to floods in the north and drought in the south. Citing this fact, we explained to the peasants how small rivers have no fear of drying up when the big river is high, and the meaning of "the state provides us with relief and we should make more contributions to the state." Second, we cultivated typical examples and devoted major efforts to publicizing and commending those model personages who actively honored their contracts and made contributions to the state in order to create a social atmosphere where everyone strives to make contribution. Third, we tried to properly deal with individual cases. We called on those peasants who failed to honor their contracts or fulfill their handover tasks without cause or reason, who owed or took possession of public funds and property for extended periods, and who refused to practice planned parenthood, carried out repeated ideological work among them, and helped them to mend their ways on their own accord. Because we have done a thorough job of ideological work, the awareness of the peasants was raised and many long-standing problems, such as being behind in grain money and payments, which had been put off time and again, were quickly settled. Some cadres said with deep understanding: "In the correct handling of the relationship between the state, the collective and the individual, ideological education is the foundation."

Socialist Ideological Education Is a Powerful Driving Force in Promoting the Building of Socialist Spiritual Civilization

A few years ago, we stressed one aspect at the expense of the other in the course of building material and spiritual civilization in the rural areas. Because we had neglected the building of socialist spiritual civilization, many negative phenomena were found in the countryside with regard to social morality, social order and social atmosphere. Corrupt ideas like "everyone for himself and the devil takes the hindmost" and "putting money above all else" multiplied and spread unchecked. In some places,

evil practices like feudal superstition, clan fights, gambling and theft were rampant, and extravagant weddings and funeral services had become a social menace, even despicable phenomena such as the abduction of women and prostitution which had been stamped out many years ago had resurrected. These problems have seriously hampered the development of rural reform and the rural economy, and affected social stability in the rural areas. They also show that if socialism does not occupy the rural ideological and cultural positions, capitalism and feudalism inevitably will.

When building socialist spiritual civilization, we should persist in grasping ideological and cultural building at the same time and adopt flexible and diversified methods. There is no doubt about this. However, for some time we have rarely put any emphasis on ideological building, with the result that in many localities and units, the building of spiritual civilization became a simple matter of developing recreational and sports activities and improving the environment and public health. Comrade Deng Xiaoping pointed out long ago: "In building socialist spiritual civilization, the most fundamental task is to ensure that the broad masses of the people are educated and disciplined people with communist ideals and moral integrity." The roundabout course we went through in building spiritual civilization in the past few years has opened our eyes and helped us see clearly the importance of the "most fundamental" task emphasized by Comrade Deng Xiaoping. Unless the communist ideal and ethics are stressed and unless the spiritual civilization of society as a whole is strengthened around the core of socialism and communism, it will be impossible to unify people's thinking, bring about an aspiring mental outlook, and ensure the healthy development of the general mood of society. In order to correct the previous tendency of neglecting ideological building in the building of spiritual civilization, we insisted on giving prominence to the "core" in socialist ideological education in the rural areas and concentrated on grasping education on the communist ideals and socialist moral ethics. As the hometown of Lei Feng, there are vivid teaching materials and a good mass foundation in Hunan for conducting education in this regard. Early this year, the provincial party committee, provincial government and provincial military district gave citations to a number of advanced collectives and individuals who persevered in learning from Lei Feng. They also decided to unfold in a penetrating and sustained manner activities of "learning from Lei Feng and cultivating new habits" and "we come from the same hometown as Lei Feng and will live like Lei Feng." In organizing mass activities of learning from Lei Feng, we also extensively unfolded propaganda and education on "observing discipline and law" and "waging a struggle against evil people and evil deeds" to enhance the concept of the socialist legal system among the peasant masses, mobilize them to take an active part in the struggle to "eliminate pornography" and "wipe out the six evils," eradicate all kinds of evil phenomena and remove undesirable social habits.

Our province has only been conducting socialist ideological education for a short time, but already the morality, order and atmosphere of society have changed considerably. In the rural areas today, there are more people who talk about contributions, more instances of mutual assistance, and more people who dare to wage struggle against evil persons and deeds. A healthy socialist atmosphere prevails, and criminal deeds and evil practices have been greatly reduced. We believe that as long as we unwaveringly conduct socialist ideological education, we will definitely be able to achieve better results in building spiritual civilization in the rural areas.

The Process of Conducting Socialist Ideological Education in the Rural Areas Is, in Fact, the Process of Strengthening the Building of Primary Party Organizations

In order to hold and consolidate the socialist front lines in the rural areas, we must rely on the concerted efforts of the broad masses of peasants. However, the peasants need the leadership of the party; they need primary party organizations and party members to unite, mobilize and lead them. The condition of primary party organizations in the rural areas is of great significance to the implementation of the party's line, principles and policies, as well as to the upholding of the socialist orientation in the rural areas. Shanhe Village in our province's Shaodong County was a poverty-stricken village and used to depend on the higher authorities for money and supplies. After the Third Plenary Session of the 11th CPC Central Committee, the new village party branch persisted in proceeding from reality in doing things. While implementing the contracted responsibility system based on the household, it did not overlook the need for socialist ideology to be in the front lines, insisted on leading the masses to energetically develop the village-level collective economy, and succeeded in bringing about notable changes in its backward appearance. During the past 11 years, more than 10 collective enterprises were set up in the village, with annual profits amounting to 300,000 yuan. The per capita net income of the peasants increased from 100-odd yuan to over 1,200 yuan. All village units are connected by roads, and electric lights and loudspeakers are installed in all peasant households. Nursery, schooling and many other services are provided free of charge. Undesirable phenomena are rarely seen in the village, and criminal deeds have not been reported for many years. Peasants living in a neighboring village said with deep feeling: "Rather than giving us money and supplies, why not help us build a good party branch." There are party branches like the one in the Shanhe Village everywhere. This is where the strength of our party lies. However, we must realize that due to talks about "watering down" the party's leadership role in the past few years, party building in the rural areas has been seriously weakened. Some primary party organizations are feeble and lax, and have no fighting power. Some party members have forgotten their fundamental aim of wholeheartedly serving the people. They only care about their own fortunes and do nothing about helping the masses become well-off. For the sake of money, some

party members have even resorted to crime. The building of primary party organizations in the rural areas has come to a stage where it simply must be grasped.

We think that in unfolding socialist ideological education in the rural areas, the crucial thing is to build rural primary party organizations well. For this reason, we have listed the strengthening of the building of primary party organizations as an important task of this education and focused on the education of rural party members and grassroots level cadres so that they will be the first ones to be educated and improved. When party members have raised their awareness and are able to play an exemplary vanguard role in every field, the fighting power of party branches will naturally be strengthened.

Bearing in mind the present conditions of rural party organizations, we first put in time and energy to provide training for party members so as to improve their quality. Around the time of the Spring Festival, we conducted a centralized training for rural cadres and party members from all parts of the province. Apart from socialist ideological education, which is also a must for the ordinary masses, they were also made to study the basic theories of Marxism-Leninism-Mao Zedong Thought, the party's basic line and basic party materials. In the course of study, they conscientiously carried out criticism and self-criticism in the light of their actual thinking and by measuring themselves against the standards of a Communist. In so doing, they enhanced their revolutionary vigor and raised their awareness in wholeheartedly serving the people. Next, we concentrated our efforts on overhauling and consolidating the backward party branches and helping the primary party organizations reshuffle and replenish their leading bodies, particularly in the matter of selecting good party branch secretaries. In those poor and backward villages where suitable candidates could be found to serve as party branch secretaries for the time being, young and outstanding party cadres were transferred from county and township offices to fill the posts. On the basis of ideological and organizational consolidation, we also put in a lot of effort establishing and improving a variety of systems for the party's organizational life at the grassroots level, including the system of party lessons, the system of organizational activity meetings, the system of the democratic assessment of party members, the system for the management of party members on official duties outside, the system of assigning party members a given number of households and relying on them to keep in touch with the masses, as well as the system of responsibility for party members. In this education, we resolutely rejected the "leftist" practice of "society education" in the rural areas in the early 1960's. Instead, we resolutely relied on township and village party organizations to conduct the work in order to give our township and village cadres an opportunity to temper and improve themselves.

Socialist ideological education in the rural areas is a long-term and regular task, and we cannot grasp it just

for a little while. It is necessary that we devote a period of time (say six months or one year) to conduct a systematic education. After this systematic education, further arrangements must be made to grasp the work unswervingly in the light of the characteristics of rural work in different periods so as to make socialist ideological education a regular part of the institution.

Beacon for Socialist Art and Literature

HK2206054090 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 10, 16 May 90 pp 25-27

[Article by Liu Baiyu (0491 4101 5038)]

[Text] Truth becomes clearer through debate. This is itself an irrefutable truth.

At a time when the trend of thought of bourgeois liberalism is rampant and is confusing right and wrong, some people publicly advocate the total overthrow of Mao Zedong Thought on literature and art. What is the significance of this? In order to destroy socialism and promote capitalism, they naturally must first negate Marxism-Leninism and Mao Zedong Thought. Isn't this an inevitable outcome of a long ideological struggle between supporting and opposing the four basic principles? But history and reality have repeatedly proved that Mao's thought on art and literature is not only irrefutable, but is developing and perfecting itself daily and is becoming the guiding light for socialist art and literature on its march on the road to glory.

Nurtured by Mao's thought on literature and art, I have been a writer for several decades. The objective dialectical movement is a never-ending process and man's cognitive ability is limitless. I myself have gradually come to understand the truth of Mao Zedong Thought after going through a lengthy process of putting what I have learned into practice and enriching my knowledge through practice.

I attended the seminar on art and literature in Yanan, where I listened to a talk given by Mao Zedong himself. I welcomed and supported his talk, but I did not really understand it. Afterwards, during the rectification movement, I used Marxist concepts to analyze my own thoughts and formed a proletarian outlook on the world, through which I was able to better understand Mao's 'TALKS'. I published an article in the JIEFANG RIBAO [LIBERATION DAILY] in 1943 criticizing myself, and the article became my declaration on life, revolution, and art. Only after that did I decide to serve and integrate with the workers, peasants, and soldiers. My life has been like a tributary converging with the mighty river of the revolution. But thought had to be reinforced by practice. Much, much later, during the Cultural Revolution, during which I was imprisoned for seven years, I read Mao's talk six times and finally succeeded in understanding that Mao's thought on art and literature was an exemplification of the Marxist theory of aesthetics. Today, I have kept the book, *Selected Works of Mao Zedong*, and, on a page where Mao discussed

"what is the source of all forms of literature and art?" I wrote: "This is the quintessence of Marxist aesthetics. This is a scientific summation and creative development of Marxist theory on literature and art. It represents the beginning of the emergence of Mao's thought on literature and art."

Today, when I reread the book and turn to this page, I am filled with deep thoughts and feelings.

Why were my thoughts able to roam free when I was thinking in solitude? It was because of two kinds of practice that I experienced after the Yanan seminar: One is the practice of life, the other is the practice of writing.

Guided by the direction of serving the workers, peasants, and soldiers, I wholeheartedly joined the Liberation War. During battles in snow and ice, my life experienced a complete turn-around. Sharing a common destiny and going through thick and thin together, the officers and soldiers of the People's Liberation Army and I endured harsh weather of 40 degrees below zero in the snow-covered Northeast and later, heat of 40 degrees above zero when we crossed the Chang Jiang. It was precisely in this icehouse and smelting furnace that I earnestly began to love those gun-wielding peasants and understood the beauty of their souls. Ever since then, their blood and life have become part of me, renewing my soul. I was overcome by grief when mourning the death of my comrades-in-arms on the firing line; I was happy and cheerful when a hard-fought battle was won. My heart went up and down as the war raged on, and I went through dramatic changes in my thoughts, emotions, and disposition. I threw myself into the war, and the war reared me.

In the area of practice through writing, no longer basing my creation on vague selfishness, I obtained inspiration from the spirit of selfless dedication typical of a combat participant, and the heroic disposition that grew out of hard-won battles. Originally I had not intended to write novels, I had even forgotten about creative literature, but my rich and gratifying experience of life, reinforced by the vivid images, words, and minds that were well-known to me, compelled me to write. What is beauty? I have seen on the battlefield a kind of true, solemn, and glorious beauty, a kind of beauty achieved when one sacrifices one's life for the victory of revolution. It was this beauty, which overwhelmed me during the war, that inspired me. I did not have to think hard for a script; the script just came to me as the war went on. In one day and night I wrote *The Three Invincible Warriors* and, later, *The Political Commissar*. Afterwards, there was no stopping me, and I wrote *The Light Is In Front*. I had been unable to write meaningfully, but now inspiration simply drove me to write more. Life during the war sparked my inspiration, pushing me toward a creative world.

Why was that? Frankly, in the haste of the war, I lived and I wrote, but I did not think well enough. When I was in prison, however, my thought became active and truth settled in me. The above two types of practice enabled

me to reform my old self and create a new one. This, plus the several changes in our country's situation which gave me a chance to think deeper, allowed me to fully understand the aesthetic quintessence of Mao Zedong Thought on literature and art.

Comrade Mao Zedong said that "an art and literary work that expresses a concept reflects man's thinking about society, while revolutionary art and literature reflects a revolutionary writer's understanding of the people's life." Therefore, without a solid life there would be no solid creation. This was my preliminary understanding. What later propelled me to link this thought of Mao's with aesthetics was a discussion by Mao in the same chapter, in which he said life and art are both a form of beauty, and that it takes a creative mind to transform the beauty of life into the beauty of art. Creativity is so named because it is of man's making. Based on this point of view, the Marxist theory of aesthetics has a complete, perfect process of development.

Marx said that "a concept is merely a materialistic thing that enters a human mind and reshapes in it." "Reshape" is the important word here, and it is just man that reshapes. Lenin felt that there must be a vast field for individual creativity and love to expand, a vast field for thought and imagination. Comrade Mao Zedong advocated that life as reflected in a work of art or literature could and should be finer, stronger, and more typical and ideal than actual everyday life. We cannot fail to see that the process of reshaping, individual creativity, and typification involves objective reflection of dialectical materialism and the subjective pursuit of flexibility, invigoration, and vitality. By relying on lively thinking (in terms of logics as well as images), a writer can actively and objectively observe life and form a picture in his mind, and then come up with a masterpiece for society and people which can touch, affect, and awaken them. As Mao was a great poet, we can easily verify the true essence of his theory by examining his poems. In the foreword to his poem *Bidding Farewell to the God of Plague* he wrote, "RENMIN RIBAO on 30 June reported the extermination in Yujiang county of life-sucking bugs." This was a subjective reflection of objectivity. Then Mao wrote in the poem, "Thoughts thronging my mind, I can't sleep at night." This was a poet's creative work of subjective initiative. How meticulously and subtly he describes the use of fantasy and imagination, the most lively subjective initiative of the creative process. Then Mao wrote, "Stroked by the breeze, bathed in the rising sun, I look at the sky and put thought to pen." These few words delineate the consummate artistic conceptional realm of the dialectical materialist theory of aesthetics. This kind of integration of objectivity and subjectivity was what made Marxist aesthetics different from the idealistic and the mechanical materialist concepts of aesthetics.

History has proven the above. During the 10-year Cultural Revolution, Lin Biao and Jiang Qing drafted a

"Summary," which laid down stiff and ridiculous regulations on meaningless issues, such as heroes should not die, etc. This silly directive replaced lively creativity with dullness. Without creativity there would be no beauty, no truthful reflection of the people's life, and no recreation of art. This "leftist" art form was a lifeless one.

Reality has proven that, too. Some writers have scoffed at the importance of being objective and advocated subjectivity in an effort to promote "self-realization." This was in effect seeking self-publicity and an ugly display of private feelings. This reduced literature to being an individualistic literature which, appreciated only by a few spiritual nobilities, ignored the people's life and rejected the social values so important to socialist literature. The concept they advocated, which lacked substance and escaped reasonable understanding, rendered art uncreative and lifeless.

The above leftist and rightist concepts have twisted Mao's thought on art and literature and deviated from the socialist nature of literature. This calls for concern! As people are the ultimate judges, why shouldn't they denounce these two kinds of art and literature which have abandoned them? Would there be active artistic life if the people's life were uprooted from art? If a writer or artist could not utilize his power of subjective initiative to nurture art, then there would be no life for art. Life is complex, so is a writer's ability to recreate objective reality. Only through integrating yourself with art can you firmly grasp the objective reality which, when merged with your soul and flesh and blood, will enable you to create a whole new world. In the process of creativity, you will achieve nothing if you simply copy reality and do not create on the basis of subjective initiative. I wrote this remark on a page of *The Selected Works of Mao Zedong*.

Lastly, let me say again that truth becomes clearer through debate.

Mao's thought on art and literature is the beacon to guide socialist literature and art to advance. Let bygones be bygones. Tomorrow there will be another stormy situation for which we will need the aid of the beacon of truth to help us handle it. Guided by this light, we will be able to overcome difficulties and create a new future!

Retrospect and Prospect

HK2206042490 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 10, 16 May 90 pp 28-30

[Article by Ma Feng (7456 3536)]

[Text] Comrade Mao Zedong delivered a very important talk 48 years ago at the Forum on Literature and Art in Yanan. I was in Yanan at that time, but as a new recruit and an ordinary member of the Army's art school, I did not qualify to attend that forum and knew nothing about the talk. That winter, I and fellow comrades Sun Qian, Xi Rong, and Hu Zheng went to the battlefield in

northwestern Shanxi—a stronghold in the war against Japan—and later we worked in the same art and literature unit when the Army transferred us to work in the rear. Only at this time did I learn about Mao's talk, which was relayed to me by the director of the art unit, Comrade Ya Ma, who did not attend the forum, but got hold of its content by copying other people's notes. Ya Ma stressed two points when he was relaying the message: 1) As part of the revolution, literature and art must serve the revolution; 2) As life experience is the source of creation, one must learn to reshape one's thinking and feelings through experiencing the war in order to achieve literary and artistic creation. These two points made a strong impression on me. During this time all members of the literature and art unit there were sent to work in villages and factories. Everyone was told not to recklessly concoct and literary or artistic pieces for a year; but one could write some reports for newspapers during this period, and should write a thought and work report every two months to the unit. We all did what we were told. A year later, when we returned for the rectification movement, we all felt we had passed a very solid year, a very good beginning. It was then that we read, for the first time, Mao's *Talks at the Yanan Forum on Literature and Art*, which gave us an uplift in thought.

When commemorating the seventh anniversary of the 7 July 1944 battle against Japan, a literary competition was held and, regarding it as a test of our creative ability, we submitted entries and received some prizes. This was a tremendous boost for us and encouraged us to record our experiences of life. We learned to reshape our views of the objective world as well as our own subjective world. Living, creation, and learning (including theories and literature) which took place interchangeably, enabled us to gain more knowledge and come up with new works of literature and art. A large group of young writers emerged in anti-Japanese strongholds or liberated areas. Despite different ways of expressing themselves, these young writers were all inspired by Mao's talk and wrote a great many articles which were with the masses. Although not quite mature yet, they became a force to be reckoned with in the field of literature and art in China.

After the liberation, particularly during the 1950's and early 1960's, many more young writers sprang up throughout the nation. Guided by Mao's talk and on the basis of promoting the revolutionary literature that began in the 1930's, these writers wrote equally outstanding pieces and became an asset to us. Unfortunately, because of the "leftist" mistakes of our leadership and the intensifying antirightist campaign, some good comrades were denounced as rightists, causing havoc. Fortunately they were all reinstated, and as long as they understood and pardoned this mistake, the dark side in their thoughts and feelings would be eliminated sooner or later. In fact, some of these unfortunate comrades have borne no grudges against the party and have continued to work in the field of literature and art.

No new writers emerged during the 10 years of the Cultural Revolution. All literary and artistic organizations were smashed, publications and publishing houses were closed down, and writers were sent to "cowsheds." How could there have been new writers then? Ten years are a long time for a person, but just a blink of time in history. Whether it was "a long time" or "a blink of time," the nightmare finally ended and a new spring was ahead. Not only had some of the unfortunate writers begun to write again, but also a large number of middle-aged and young writers began to come to the fore. These new writers, in general, had a higher cultural and artistic standard than the older ones. But unfortunately, our leaders did not mobilize them to study Mao's Yanan talk, so some writers went astray, and wrote things which saddened our own people and gladdened the enemy. The root cause of this problem was that they had been consciously and unconsciously poisoned by bourgeois liberalism. Why were they more susceptible to this "virus"? There were two reasons: 1) Their adolescence coincided with the Cultural Revolution, and they had seen or heard mainly distorted facts which cast a shadow in the depths of their hearts. Two, without establishing a correct concept of life and the world, they did not understand whom art and literature was to serve and how. Lacking immunity, they naturally were likely to contract the virus.

Comrade Deng Xiaoping has pointed out that the greatest mistake in the past 10 years was the loosening of education on political thought. The literary and artistic field would be occupied by the capitalist class if it were not taken up by the proletariat. As a result of the previous two key central leaders' compromising attitude toward bourgeois liberalism, all kinds of incorrect or reactionary views of literature and art found their way in. Some praised these multifarious ideas under the pretext of introducing different schools of literary thought from capitalist countries. Others promoted wrongful concepts in the name of probing the rules of literature. For example, literature should stay away from politics and should work toward promoting art; an author was to express his inner self, not describe life; a writer should propagate love as an eternal theme and should write about human nature, etc. Their purpose was to induce some writers to deviate from the correct direction of "serving the people, serving socialism." These mistaken views were not new, as they had been criticized by Chairman Mao in his talk in Yanan. The problem was that this important talk, which was made into a book, had been put on the shelf during these years, forgotten. Some people even wrote articles to publicly denounce and reject the talk, and met with no attempt to criticize or attack them. It was said that articles which challenged these writers found no one willing to publish them. On the other hand, articles propagating wrongful ideas were in hot demand, praised as "new wave," "pioneers." Influenced by this trend, some young writers naturally followed the tide. I am not trying to defend these young writers, I am saying that they were created by the situation. Had they begun writing under the

guidance of Mao's thought on literature and art, the situation would have been different. But it is not too late to start learning from Mao's Yanan talk and Deng Xiaoping's views on literature and art. This will help one to wash away the dust on one's skin and in the heart, so that one can contribute to serving the people and socialism.

I am not saying this carelessly. I have examples to support my remark.

Several old writers and old artists who attended the Yanan forum have told me that Mao took time out of a busy schedule during the war with Japan to meet with writers and artists and deliver two lengthy speeches. His move, they said, underlined the high regard the party held toward literature and art, as well as illustrating a growing concern over confusion in thought among writers and artists (which can be proven by examples mentioned in the talk). Although they traveled far to arrive in Yanan in search of revolution, victory over Japan, and a bright future, these writers and artists had lived long in Kuomintang-dominated cities, where few of them had studied Marx's or Lenin's books on revolutionary literature, and many had been exposed to the capitalist concept of literature and art. Living in that kind of environment, one could not but be influenced. Even some of our underground party writers had been affected, but to a different degree. One former party writer said, "When we were in Shanghai we carried out our work on literature and art without clear direction. But after hearing the chairman's talk, it was like being given a shot in the arm. Our hearts were clearer, our eyes brighter, and we felt as if we were 10 feet tall." One can say that, inspired by Mao's talk, the comrades who attended the Yanan forum cleared up their thoughts and went to the front line to join in the war against Japan or went to work in villages or factories. As they sought to change the objective world, they also constantly reshaped their own subjective world. Thus they came up with many prominent works of literature and art, became a mainstay in the literary and artistic undertakings of the revolution, and made tremendous contributions to the promotion of literature and art in New China. Some of the older generation of artists had been well-known before they went to Yanan. If they could humbly learn from Mao's talk and reflect it in their deeds, why can't we, the younger generation, do the same? I have a great expectation for this to happen!

Discussion on the Talks

HK1406064390 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 10, 16 May 90 pp 30-31

[Article by Ouyang Shan (2962 7122 1472)]

[Text] People who attack Mao Zedong Thought on literature and art generally begin by attacking his *Talks at the Yanan Forum on Literature and Art*; and those who attack the *Talks* mostly concentrate on the main points, namely, literature and art are subordinate to

politics and serve political purposes. It is not accidental that they focus their attacks on the *Talks* and these two main points.

As known by all people, the *Talks*, which represented Mao Zedong Thought on literature and art were linked with the realities of the anti-Japanese war. Today, as we are carrying out modernization construction, the objective conditions we have are quite different. The CPC leadership has thus changed the proposition: The point that literature and art are subordinate to politics is no longer mentioned; and the point that literature and art serve political purposes has been changed into a new proposition that "literature and art serve the people and serve socialism." I fully agree with the new proposition, because it is definitely more accurate and more extensively applicable than the old proposition and it will not be so easily misunderstood and will thus be more suited to the needs of the current struggle.

However, does this mean that the two main points in the *Talks* were wrong? I don't think so. At that time, the nation was at a critical juncture and was faced with the danger of being subjugated by the Japanese aggressors. The most important thing in politics was to win a victory in the anti-Japanese war. If literature and art were not subordinate to this political task and did not serve this political purpose, how could they gain a foothold and continue to exist? If writers and artists were engaged in "traitorous literature and art" like Zhou Zuoren and Zhang Ziping, they would have been dumped onto the rubbish heap of history by the people.

At present, isn't it true that we writers and artists with CPC membership are always first to bear in mind our identity as Communist Party members before we regard ourselves writers and artists, and that the people's writers and artists in China always first bear in mind their identity as Chinese citizens before they regard themselves writers and artists? We always require that the party's leadership be strengthened. Isn't this leadership a kind of political leadership? None of us is opposed to the orientation of "literature and art serving the people and serving socialism." Isn't this the most important political orientation in our literary and art work? Weren't the two main points in the *Talks* completely identical with the present proposition? What was wrong with them?

Of course, some people in the garb of CPC members do maintain that the sole function of literature and art is the "aesthetic function"; some people who have Chinese citizens' identity cards do hold that the Chinese people should be enslaved by foreigners for 300 years. Some people who hold leading positions in the CPC do call for "reducing interference in literature and art," and some CPC members call for "letting things take their own course" or even simply indicate that they are only interested in self-expression and have no interest in noting the people's great contributions and still less in serving the people they disdain.

In fact, the intention, action, and behavior of these people are the complete opposite to the idea of freeing literature and art from politics as they advocate in words. I saw quite a few so-called writers of different ages. Most of them often behaved like scholars and kept talking about depoliticizing literature and art, freeing literature and art from political shackles, and keeping literature and art at a distance from politics. However, during the 70-day turmoil and revolt in Beijing last year, they presented petitions, expressed solicitude for the hunger strikers, staged demonstrations, and gave lectures, behaving completely like political activists and in a manner completely different from before. In fact, their manner before was a mere pretence, and they behaved in a true manner during the turmoil and revolt.

They opposed the proposition that literature and art should be subordinate to proletarian politics, but they tried to make literature and art subordinate to bourgeois politics. They opposed the proposition that literature and art should serve proletarian politics, but they tried to make literature and art serve bourgeois politics. They opposed the idea that literature and art should serve the Chinese people, but they tried to make them serve the foreign bourgeoisie. They opposed the idea of serving socialism and tried to make literature and art serve capitalism in the West.

That was their purpose of attacking the *Talks*.

Unfailing Faith

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[Article by Hao Ran (3185 3544)]

[Text] I am a writer of the new generation who was raised on the milk of the *Talks at the Yanan Forum on Literature and Art*. The spirit of Comrade Mao Zedong's *Talks* has helped mold my faith in taking writing as my lifework. Even in the last few years when the *Talks* was inexplicably hated and denounced and those who esteemed the *Talks* would court merciless sneers and abuses, I still made these same remarks boldly and forcefully, because they are my true feelings. Sometimes, a man honored as the engineer of the human soul can unavoidably make wrong statements, but on no account should he tell lies.

My faith in the *Talks* is not a recompense to indebtedness and a pious kowtow. It does not fall from the skies. It is not something I thought out after cudgeling my brains and something I obtained by exclusively reading theoretical works.

My sincere faith in the *Talks* comes from my life experience and artistic practice. It was bred in my protracted practice in life and writing under the guidance of the *Talks* and took shape and become solidified in the course of the repeated bumps of the successes and failures of such practice.

When I was a child and had no idea about "literature"—I was 17 when the People's Republic of China was founded—through local organizations and editors of publications, the party inspired and guided me in writing with the spirit of the *Talks*. A circular which was then issued read: "To unite and educate the mass of young people, every prefectoral cadre should contribute to provincial Communist Youth League [CYL] newspapers." As a young man who was eager to do well in everything, out of my interest, I began to take up my clumsy pen. Consequently, I composed many poems expressing personal feelings and most of them were poems "making a fuss about an imaginary illness." Of course, they were rejected time and again. The party organization and editors instructed me: "You should write about new things and good things and criticize old things and bad things in the rural areas." Once I visited my older sister and she told me what was in her mind. Not content with becoming a daughter-in-law of a peasant family, she wanted to participate in the village social activities and join the CYL organization. Thinking that this was a "new and good thing" of the rural areas, I wrote an article about it and, in the end, it was turned into a book in 1950, which was my first book. After that I was full of drive and confidence in writing and I wrote many such newsletters and stories in succession.

The government called on the nation to plant trees to cover the land in green. Since they would get no immediate benefits and, moreover, a scattered, individual, small-peasant economy prevailed at that time, no peasants responded to the call, no matter how much effort was made to mobilize them. I accidentally found that a female cadre in Shangcang led several women planting trees along the bank of a public pool and I rushed to write an article to commend them. The publication of the article stirred a sensation in the whole prefecture. Village cadres took the lead in planting trees and some of them sent people to see me and ask me to make them "become known" to others. Through this event, I realized that, like holding a meeting to explain a policy and sitting on a heated kang [brick bed] to do propaganda work, we can mobilize the masses and carry out our work by writing articles with the pen in our hands. Since then I have become more keen on writing.

After the property which she was qualified to inherit in accordance with state laws was embezzled, the owner of the house in which a poor farm laborer lived was wrongly accused of getting into debt. She took the case to the prefectoral and county authorities but got no solution. This made her grieve to the extent of wishing to die. When I learned of the case, roused to righteous indignation, I wrote a critical article on her behalf that night and sent it to a newspaper. Although the article was not published, it was responsibly forwarded to the prefectoral commissioner's office, which then immediately sent people to the village in question. Consequently, the case was handled conscientiously and fairly. Unexpectedly rescued from a desperate situation, the landlady was so pleasantly surprised that she said everywhere she went

that I was the "savior" of her family. This event made me realize it is surprising how powerful a force the pen has and how it can speak for the common people. From then on, whenever I wrote something, I would have a sense of solemnity and responsibility and my idea of becoming the mouthpiece of the peasants all my life was thus formed.

After experiencing numerous similar experiences in life and artistic practice, in 1952, I studied in the provincial CYL school which was situated in Baoding. The year was the 10th anniversary of the publication of the *Talks* and I read it for the first time and directly and respectfully listened to the leaders' instructions. The then scene and feelings are still clear in my memory to this very day. Another 10 years has passed since then and to commemorate the 20th anniversary of the publication of the *Talks*, I, who had entered the gate of literature and was determined to scale a new height (my first novel now in deliberation), wrote an article entitled "Everlasting Eulogy" to express my kindly feelings.

At the beginning of the article, I recalled the scene when I read the *Talks* for the first time in 1952: "...I read the *Talks* twice without a break. Like the sun in the sky, it lit and warmed my heart. My eyes have become bright and I feel filled with tremendous confidence and strength." This feeling and understanding is the inevitable result of relating and examining my practical experience with the theoretical spirit of the *Talks*, which helped me suddenly realize the real meaning of some practices in life and writing in which I was engaged and at the same time, the experience in my practice in life and writing helped me toughen my readiness to accept and understand the spirit of the *Talks*.

To a writer like me, the first practice and the first understanding of the spirit of the *Talks* are no small matter. Many directional and fundamental viewpoints were thus engraved on my heart like using a knife. They determined the faith and melody of taking up writing as my lifework and the keynote of my works.

How can the wind of the times, the rain of society, and the passage of time write off these numerous ideas from my soul?

To make socialist revolution, both a literature and art contingent and armed forces are needed. The purpose of this literature and art contingent is to unite and educate the people, to attack and eliminate the enemy, and to sing praises of what is progressive, castigate what is backward, and push the times ahead using the pen as a weapon. To be a qualified and promising member of the contingent and to produce good works loved by the broad masses of people, one must go, unconditionally and for a long time, into the social life of the masses, which is the only source of creation, to constantly remodel and improve himself...

In my life and art which I have practiced uninterruptedly for several decades, I have ceaselessly examined and corrected my continuing practice with the spirit of the

Talks and this has helped me gain a better understanding of the spirit of the *Talks* and of my own practice.

In the last few years, some comrades, swayed by their emotions, blindly negated the positive experience of our revolutionary literature and art. The most damaging negation is that they changed their tune alleging that life is not the source of creation.

My personal experience and my understanding gained after reviewing past experiences are precisely contrary to some arguments currently in vogue. The theory arguing that the social life of the masses is the source of creation is not only an irrefutable truth but it also has profound implications.

The social life of the masses is not only the source of material for creation but also the source of wisdom and strength for creation. Similarly, it is the source of the conviction of a writer. Personally speaking, do the numerous peasants and cadres at the grassroots level, such as the prototype for Xiao Changchun in *Bright Sunny Skies* of the 1950's ("Xiao Yongshun and I," which was published in GUANGMING RIBAO on 22 October of last year, depicts the association between us) and Yan Diankui in the "Unofficial Biography of Yan Diankui" of the 1990's (see RENMIN RIBAO of 15 April 1990), provide me just source material of creation in my effort to plunge into the thick of life and integrate myself with it? When I just crossed the threshold of literature and I was so utterly disheartened because my works were denied publication that I came close to going astray, Xiao Yongshun said to me: "People have different tastes about radishes and Chinese cabbages. If they refuse to publish your articles, I will take them home and read them to commune members. We like articles such as yours." What an effective help! When I was "lauded" by Jiang Qing and unaware of its danger, Xiao Yongshun boldly shouted at me, saying, "The position of Jiang Qing is shaky and she has to collapse." What a timely warning! I blundered and went under in the end. Xiao Yongshun came to Beijing from an outlying mountain village after changing trains four or five times and helped me to straighten out my muddled thinking: He said, "Don't lose heart! Since you come from the village, go back to the village, start all over again, and do what you wish to, and let the party see who is real gold and who is dross." What precious trust and encouragement! As for Yan Diankui, since we contacted each other just twice, I cannot say we knew each other well, let alone established friendly relations. However, at our first meeting, he exhorted me, saying, "Don't write trash [mai tai 1003 3077]. They are opium, heroin, and morphine needles, which do harm to the people and the country." At the second meeting, he again and again warned me, "Wiping out pornography is a matter that should have been carried out earlier. As I see it, it is useless just to exclusively confiscate bad books, what has been engraved in people's minds is more dangerous." I saw with my own eyes what profound sentiments of friendship he showed toward his wife who had been his life companion for several decades and was now lying

paralyzed. The scene was so deeply moving that it cleansed my soul once again. Troubled with my wife who comes from a peasant family and now is in bed with a prolonged illness, I once thought I was beset with inextricable worries... The benefits I gained from all these in tempering and shaping my moral quality are much more than the achievements I gained as source material for my works.

All in all, I have plunged into the thick of life and integrated myself with the peasants for several decades. The imperceptible and subtle influence of the striking and glowing language and unique intelligence of the peasants and cadres at the grassroots level, and particularly their traditional moral standards and new practices have penetrated my heart bit by bit. Not only have all these benefits become the clear water and fertilizer for the young plants of my works, but they have also directly become numerous branches, leaves, flowers, and fruits of the tree of life. This being the case, from the bottom of my heart I say, "As I see it, forgetting the peasants means forgetting one's class origin and hurting the root and this is bound to lead to destruction of one's artistic life. I must not, dare not, and cannot do that."

The child clings to the mother as the melon clings to the vine. To prolong my artistic youth as long as possible, I must tightly suck the "nipple" of the *Talks*. No matter how the situation changes and no matter how trends rise and fall, the sun of believing in the truth of the *Talks* will shine forever. I will embrace the times and life forever and use forever the pen in my hand to write about true things in the rural areas and give voice to the peasants' innermost feelings.

At Sanhe Nituchao on 16 April 1990

An Unforgettable Trip to the Nansha

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[Article by Yin Xiumei (3009 4423 2734)]

[Text] The most magnificent, most glorious time in my performing career was the period of 4-26 February 1990. Today, I still live with profound memories of those days.

The Ministry of Culture of the PRC sent an entertainers' group to the South China Sea to convey a message of greetings and appreciation to sailors of the South China Sea Fleet. Bearing the people's loving concern and writers' and artists' profound friendship for the Navy, the group set out from Beijing on 4 February and arrived in the Nansha [Spratly Islands] on 7 February. In force-five or -six winds and in an area where enemy movement was reported, we disregarded the sweltering heat, the seasickness, and the hardship while traveling at sea to visit every guarded island and every ship patrolling the South China Sea. We had a total of 24 performances in the Nansha, Xisha [Paracel Islands], Yulin, and Zhanjiang, covering 1,700 nautical miles.

We received no payment for the performances. Many of the comrades in the group had given up performing in the profitable season during Chinese New Year. Some had even breached contracts and lost good rewards in order to perform in the Nansha. Everyone was at his artistic best and demonstrated his ability to counter difficulties when singing for the officers and soldiers defending the islands. We knew well that the visits were not ordinary ones, that they signified the deepest concern of the party and the people for the soldiers of the South China Sea Fleet.

It was difficult to travel in the Nansha. The temperature was as high as 40 degrees centigrade, and we had to change boats six times to arrive at any island. The strong waves made us feel dizzy and throw up. The group's 13 actresses were the first women to set foot on the Nansha, and we threw up repeatedly and were unable to eat anything. Except for two to three hours of performances every day on firm ground, we passed the remaining time swaying at sea. But this did not stop us from performing.

The most unforgettable performance took place on 10 February. On the morning of that day, we boarded Ship No. 164, heading for Warship No. 509, which was anchored at sea. A strong wind of gale of force-five to -six suddenly blew up, and a wave forced Ship No. 164 to list 30 degrees. As we were about to board Ship No. 509, a huge wave swept by and our ship was washed several feet away. The two ships could not tie up alongside each other. The sailors on the warship were anxious, as were the entertainers on our ship. The group's leader then came up with a brilliant idea: That we stage our performance across the water. It was probably among the rarest in the history of entertainment in China, as well as abroad. The two ships maintained a steady distance from each other of 50 meters so that the actors and actresses could perform on the captain's bridge and the sailors could watch on deck. Actress Lei Qing collapsed on the deck because of seasickness, but still insisted on performing. Helped to stand by two people, she ignored the pain and with deep feeling recited a long poem, entitled *Let Me Hold Your Hand Tightly—Dedicated to Our Comrades-in-Arms in the Nansha*, which was written by our fellow group member Ma Jingxing, a lyric writer. The scene was so moving that all the soldiers of the warship were overcome with tears, applauding and cheering her in a standing ovation. That night Ship No. 509 sent a message which said, "You are real artists of the people. You performed so caringly and excellently under extreme difficulties. Your feelings for the sailors are the deepest and your heart is the closest to them. The sailors in the Nansha salute you!"

The visits bonded us and the soldiers closely together. We went from meeting each other to understanding each other, from seeing to parting. We were filled with joy when we met, and reduced to tears when we parted. We all treasured the friendship established in a special place like the Nansha. Guan Mucun and I gave our family photos to sailors and I inscribed on them "The first woman in Nansha salutes some real men!" We were all

so touched by the spirit of dedication of the sailors that we burst into tears. I cried so hard that I could not go on while making a summary report on our visits later. Tears welled up in my eyes whenever I performed during the tour. Whatever the sailors requested, we performed. We thought nothing about protecting our voices, and some comrades continued to perform despite sore throats. We ate nothing of the islands' rare supplies to ease our thirst. And we even presented the soldiers with our fruit, toothpaste, soap, and shoes, did laundry and planted vegetables for them, and acted as "transport laborers" to help them carry goods ashore.

The affection the group showed to the Nansha soldiers was a morale booster for them. The soldiers stationed in Cigua, Dongmen, Huayang, and Nanshun had not seen a boat, a bird, or a new face for almost six months. When they heard about our group's upcoming visit, they were so excited that they could not sleep for several days. They held our hands and said, "You have brought us warmth and joy. We will transform the concern of the people into a tremendous power with which to defend the island. Please ask the people not to worry!"

Although our skins were tanned, our voices became hoarse, and our weight dropped during the Nansha visit, our hearts were closer to the soldiers and our souls received a baptism in the Nansha spirit. The Nansha are sacred land purifying the soul of a visitor. This reward cannot be bought with money.

After returning to Beijing, I asked myself why we performed so well under difficulties. The answer was that Mao's talk in Yanan had inspired us and the soldiers' dedication had purified our souls. Forty-eight years ago Mao called on artists to experience life by working for workers, peasants, and soldiers and to create workers of art for the people. Was not our visit and its positive response another proof of the unfading ideological charm of Mao's talk?

Do an Even Better Job in Regulating the Currency and Credit in a Timely and Appropriate Way

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[Article by Li Guixian (2621 6311 7639)]

[Text] In his government work report delivered at the Third Session of the Seventh NPC [National People's Congress], Premier Li Peng pointed out that we must continue to control the scale of loan borrowing and the amount of currency in circulation, to readjust the composition of loans, and to make timely and appropriate regulations in the light of changes in the economic situation. This is the principle of implementing rectification and consolidation, as well as deepening our reforms, in the financial system and for giving play to the role of macroeconomic regulation and is an important task for maintaining continuous, steady, and coordinated economic development.

The reason the financial sector is one of the means for macroeconomic readjustment and control is mainly because readjustment of the scale of bank credit, monetary circulation, interest rate, and exchange rates are determined by the state. Their cash transactions and settlement are subject to the unified supervision of the state, which may directly regulate and control the supply and demand of credit capital. The movement of credit capital is determined by the movement of commodities, and, to a certain extent, the former further promotes the latter as well as the economic development. Therefore, it is very important for us to master and apply financial means in regulating our economy.

Since the in-depth development of our reforms, there have been reforms in our investment system and changes in the distribution of national income. Following the strengthening of the financial status of enterprises and units and a sharp increase in the income of urban and rural residents, the functions of banks have become more important. Between 1979 and 1988, the average annual growth rate of savings in banks was 20.7 percent, which was greater than the 10-percent annual growth rate between 1953 and 1978. The volume of credit capital utilized was doubled. By the end of 1989, the total amount of loans in banks and credit cooperatives was 1,347 billion yuan, a 6.2-fold increase compared to yearend 1978. Within redistributed national income, the ratio of capital redistributed through banking and credit channels continued to rise. Throughout the decade, the banks raised and financed large sums of capital and actively supported the national economic development.

Beginning in the fourth quarter of 1988, banks seriously implemented the principle of implementing rectification and consolidation as well as deepening reforms, and were determined to carry out the decision of the State Council on further controlling the currency and stabilizing the financial sector. They adopted a series of measures, actively supported the production and procurement of industry, agriculture, and foreign trade and meeting the reasonable capital demand of large and medium-sized state-run enterprises, as well as key construction projects of the state. At the same time, they helped put an end to the oversupply in market monetary circulation. They basically controlled the scale of credit and the issuance of money. To a considerable extent this helped promote economic development, checked the desire for investment and consumption, and checked inflation. Of course, we should further improve the extent of austerity, as well as the flexibility of regulation, so as to do a still better job in promoting economic development.

In the first quarter of this year, the financial situation was further stabilized, more currency was withdrawn from circulation, the amount of savings was increased, and the amount of agricultural and industrial loans, as well as loans for the purchase of agricultural and sideline products, and export goods, was increased. This reflected a stable economy, and people's minds were at rest.

However, we did not basically solve those profound problems which were developed over the years in our economic development. At the same time, there were new situations and new problems in our rectification and consolidation. This thus made our financial work more arduous and complicated. The financial sector must study the new situation and new problems in an intensive way and adopt flexible measures in order to play a more effective role in macroeconomic regulation.

We must have a correct perception and understanding of the role of regulation by the financial sector in the national economy. While an economy determines the financial sector, the latter helps promote development of the economy. We must avoid overestimating the functions of banks, while paying attention to their function of economic regulation. Any act that gives play to their role of financial regulation is simply planned guidance, facilitated by such means as fiscal measures, taxation, and supplies. Therefore, we need support from all sectors of society in order to do well in financial regulation.

I. To Regulate the Scale of Credit in a Timely Manner

The aggregate amount of monetary credit plays an important part in normal economic operations. If the amount is more than what is actually needed in normal economic activities, there will be inflation and then price rises. On the other hand, if the amount is too little, normal production and circulation will be adversely affected. We must strive to maintain credit at an appropriate level.

The scale of bank credit refers to an increase in credit based on the previous year's level, that is, the balance of accumulated loans granted in a year over the accumulated amount of loans repaid in the same year. China maintains a balance in its bank credit mainly by credit planning, which is determined by achieving an overall balance in the national economic plan and the social development plan. Control over the scale of bank credit by the central bank is done by checking the volume of the credit. This is determined by the economic operation mechanism, which integrates the planned economy with market regulation. At the same time, bank loans are granted mainly in the form of credit, and the constraints of interest rates and savings reserves on capital demand are very weak. Therefore, we must control the scale of loans in order to effectively control the total volume of monetary credit. Because economic life is very complicated, the demand for loans changes often. This thus requires the banks to regulate appropriately and in good time loans to be granted at different periods and in different locations in accordance with the objective demand for economic development. In the course of regulation, we must pay attention to regulating the scale of credit increase in that year and must regulate the balance of loans yet to be granted.

In 1989, the amount of bank loans increased by 185.8 billion yuan, a 17.6-percent increase, which was much greater than the 3.9-percent growth rate of the GNP.

This was not slow growth in terms of volume nor in terms of growth rate. Over the years, the fourth quarter has been the peak season of growth in credit capital. This is due mainly to seasonal changes in China's industrial and agricultural production; the peak period of procurement of agricultural and sideline products, export commodities, and the consumption of funds for industrial use, are done in this quarter. Objectively, this requires that the bulk of bank loans be made in this quarter. Therefore, the nationwide proportion of loans made in the fourth quarter to the total amount of loans throughout the year is generally 65 to 70 percent. In the fourth quarter last year, the nationwide percentage was 67.5, which was basically a normal one. As most of the loans were granted in the fourth quarter last year, this basically met the capital demand for production and procurement in the peak season, made necessary preparations for this year's agricultural production development as well as sales of commodities, and prevented a recurrence of the phenomenon in 1988 in which we signed a large number of IOU's when purchasing agricultural and sideline products. Of course, because of our vast territory, the many provinces, cities, and autonomous regions vary widely in climate and in the industry-agriculture ratio. As their peak periods of capital consumption are different, we should allow them to make seasonal regulation of the total scale of loans according to their actual conditions.

In the first quarter this year, in view of the actual situation, in which market sales were slack, industrial and production growth was slow, and there were entangled debts among enterprises, the banks appropriately increased the scale of loans mainly because they wanted to promptly arrange industrial and agricultural production, give support to the goods and materials department in increasing their reserves, and help enterprises settle their entangled debts. This was a regulation done under the prerequisite of controlling the total volume of loans, and in accordance with changes in economic conditions. It was very necessary in order to stabilize the economy and the overall situation. The newly increased loans were used mainly to support such basic industries as agriculture, energy resources, and transportation; large and medium-sized enterprises; and foreign trade business. This was also very significant in promoting a readjustment of composition of the economy.

At the same time we regulate in a timely way the scale of credit, we must strictly control the issuance of currency. Judging from the channels through which the banks put money into and withdraw money from circulation, we see that cash is withdrawn from circulation mainly through withdrawal of commodities from circulation, withdrawal of cash from circulation in the service industry, and savings deposits made by the people. The major channels of cash expenditure are workers' wages, bonuses, allowances; cash payments for the purchase of agricultural and sideline products; management expenses of administrative institutions and enterprises; and withdrawal of savings by the people. The amount of

currency issued nationwide is the balance of cash received by banks from, and cash paid by banks to, all institutions, enterprises, units, and individuals. It is a comprehensive reflection of various factors for social and economic activities. In order to control the amount of currency issued, such departments as planning, fiscal policy-making, credit, and pricing must adopt joint measures, take uniform actions, and have a reasonable orientation, so that we can achieve the projected results.

II. To Flexibly Readjust the Level of Interest Rates

Interest rates may be taken as the "price" of capital. The rise or fall in the level of interest rates plays an important part in the economy and the market. To push up the interest rate indicates that the "price" of capital is rising, which makes the burden on investors (enterprises) heavier. Therefore, it helps check the demand for capital and reduces the amount of credit capital held by them. It may also attract savings and encourage individuals to postpone consumption, thereby increasing the banks' source of capital. There will be opposite effects when we lower the interest rate. Therefore, to make precise projections, to flexibly and correctly utilize the lever of interest rates, to rationally determine the overall level of interest rates, and to really carry out the work in a timely and appropriate manner is an important step for macroeconomic regulation.

Acting in accordance with the state's economic policies and in light of economic development and of changes in the market price, in the past decade the banks have eight times readjusted interest rates on savings deposits and seven times readjusted the interest rates on loans, so that the functions of interest rates were strengthened. In September 1988 and February 1989, in view of soaring market prices and the situation that residents withdrew their savings to join the buying spree and excessive issuance of currency, the banks twice raised interest rates on savings and loans and offered value-guaranteed terms for fixed deposits with terms of three years and more. Consequently, there was a sharp increase in savings deposits and consumption was postponed. This helped stabilize prices, checked the excessively high demand for capital, and eased pressure on the market.

At present, we have made remarkable achievements in rectification and consolidation, as well as in deepening our reforms, and the high price level has been sharply reduced. Beginning in October last year, the rate of price increase dropped to a single digit for five months. In the quarter between January and March this year, the state's overall retail price level reached its lowest level since 1988. It thus seemed that, under such circumstances, the current interest rates on savings and loans were too high. Therefore, the state determined to appropriately cut the interest rates and the policy toward value-guaranteed savings remained unchanged despite this readjustment. The provision of value-guarantee is an act to guarantee the purchasing power of the residents' money deposited in banks. The rate of subsidies for value-guaranteed deposits depends on the extent of accumulative price rise

in the deposit period. The subsidies will be given if the accumulative rise in the price index is higher than that of the interest rate on deposits. Otherwise, no subsidies will be given. Therefore, it is normal to have fluctuations in the value-guarantee subsidies in the wake of changes in the price level.

Interest rates must be constantly readjusted in the wake of changes in the economy and price level. Acts to increase or reduce the interest rate at different periods of time are a normal phenomenon of flexibly utilizing the lever of interest rates. Since the founding of the state, banks have readjusted interest rates, either increasing or reducing the rate, on several occasions. The same thing has taken place in every country of the world, which change interest rates according to their economic development and changes in prices. From now on, banks must, according to actual changes in the economy, also constantly and flexibly readjust the interest rate, gradually reform and perfect the interest rate administrative mechanism, and further give play to the functions of interest rate regulation.

III. To Correctly Utilize the Means of Settlement

Bank settlement is a medium of commodity exchange and a hub linking capital to economic activities. Through the settlement of funds used in commodity exchanges among enterprises and units, banks may reduce the amount of cash payments, understand and keep abreast of the conditions of enterprise capital utilization, and promote normal operation of economic activities. Therefore, it is very significant to correctly understand and use the means of settlement in order to give play to the functions of financial readjustment and control.

Following the Third Plenary Session of the 11th CPC Central Committee, there have been great changes in China's economic composition, styles of enterprise management, commodity circulation, and forms of credit. There were also reforms in the system of bank settlement, as well as the form of settlement. Generally speaking, the results are good as they conform to changes in the economic system and the need for economic development. Nevertheless, there are some problems concerning settlement. Chiefly, they include a rigid form of settlement, backward and inefficient means of settlement, and a backlog of settlement transactions. We need to further reform it in line with the requirements for convenience, wide acceptance, and fast and safe transactions.

In judging whether or not a form of bank settlement is appropriate, we must proceed from reality and continuously carry out reforms and readjustment in accordance with economic development and enterprise requirements. Originally, the abolition of collection and acceptance in settlement by banks last year was intended to conform to the requirement of making the planned economy dovetail with market regulation, to improve the reputation of enterprises in commodity transactions,

and to promote the execution of economic contracts. Judging from the actual situation in recent months, however, it showed that the present conditions are not yet mature. Many enterprises found it difficult to adapt to the situation following the abolition of collection and acceptance. This is particularly true for some large and medium-sized core enterprises which undertake some of the state's mandatory plans. They found that their settlement of loans was no longer supervised by banks. Therefore, the banks recently restored such practice with the purposes of assisting large and medium-sized enterprises in the collection of loans and of easing the tense situation in the supply of capital. This is very significant in giving play to their supervisory role in bank settlement and in strengthening banking services. Of course, in restoring the practice of collection and acceptance, the banks must adhere to the principle of dealing with each case on its merits and supporting the best one. They must not apply this practice to enterprises or products that are explicitly subject to state control. We must not totally negate our reforms in the area of bank settlement in order to restore the practice of collection and acceptance. Similarly, we must not refuse to make necessary readjustment of measures for conditions which are not yet ripe simply because we need to resolutely carry out reforms.

The purpose of reforming bank settlement is to provide better services to enterprises and to serve the economy. For this reason, banks must actively develop tools of credit payment, encourage the use of bills of exchange, improve the work of bank remittance, promote the use of commercial bills, offer on a trial basis bank draft services, and expand the scope of check payment to cover areas which have the conditions. By increasing and improving settlement methods, they should help the enterprises facilitate exchange of commodities and reduce through commercial credit the amount of loans yet to be repaid by enterprises. They should gradually use more commercial bills in commodity transactions, so as to closely integrate bank settlement with bank credits and financing and to give further play to the function of settlement in economic development.

IV. To Actively Enliven Capital Financing

The vitality of finance rests with the sourcing and revolving of capital. With its vast territory and uneven economic development, China has marked seasonal variations in the utilization of capital in different regions and different enterprises. It is thus inevitable that we should regulate the supply of capital on a national scale, actively develop multilateral capital financing, and improve the efficiency of capital utilization.

Recently, we have, in our reform of the financial system, gradually opened a capital market, and we give play to its positive role by financing a large amount of capital. Nevertheless, there are still some problems. As we did not supervise the market in an effective way, some financial organizations arbitrarily drew money from the market in the name of financing and expanded their

scope of credit as well as loans for investment in fixed assets, so that the macroeconomic readjustment and control of the financial system was adversely affected. Today, the general situation of capital supply all across the country is very tense. Furthermore, some localities "built their own fortress." Proceeding out of their personal interests, they inappropriately interfered with the normal business of the capital market. They even permitted only loan collecting, but no loan granting, so that the market artificially leaned to the one side. As capital was snatched by localities, and financing among them was impossible, some localities were flooded with funds while others faced a shortage of capital. When financing at the national level became inactive, so did it in the localities, and it became impossible for these localities to protect their personal interests. It has become very urgent that we promptly put an end to this situation.

People's banks in various localities must earnestly strengthen their supervision, while actively organizing all financial organizations to develop the business of financing in accordance with designated purposes and terms, so as to speed up the revolving cycle of credit capital, to make good use of the geographical and time differences, and to improve the efficiency of capital utilization. We must increase the channels and means of financing step by step and in a systematic way, gradually establish and develop a long-term capital market, and reduce and absorb consumption funds. In addition, we must firmly grasp the formulation of laws and regulations on the control of capital markets in order to put activities of the capital market on a lawful track.

We should give full play to the macroeconomic functions of the financial sector. As we regulate monetary credit in a timely and appropriate manner, we need to build a good external environment. At present, an important factor that restricts the macroeconomic readjustment and control of the financial sector is the poor economic results of enterprises, which are incapable of and have no mechanism for controlling and developing themselves. The outflow of enterprise capital was very serious in recent years. A large amount of capital was absorbed by nonproduction businesses, and was used for consumption and capital construction. As enterprises did not have sufficient working capital, the amount of budgetary working capital owned by enterprises increased by only 0.8 percent in the past 10 years. Its proportion in the total amount of working capital showed a drop from 38.5 percent in 1983 to less than 18 percent at present. With little accumulated funds, these enterprises engaged in production and operations mainly by depending on bank loans. Together with an irrational organization of enterprise, an irrational composition of industries, products, and investment, as well as that of commodities in stock, these enterprises had overstocked their products and found that a large amount of credit capital was tied up in the form of goods. This thus made it difficult for banks to effectively regulate the stock of credit capital and seriously weakened the macroeconomic capability of readjustment and control. At present, we must, on the

one hand, adopt measures to initiate the normal revolving of capital and to improve the economic results yielded by the capital; and on the other hand, we should focus on subsidizing the working capital owned by enterprises, so as to ease the demand for capital from banks and to strengthen the functions of macroeconomic readjustment and control. Provided that all departments and enterprises make joint efforts to increase production through conservation, to increase their own working capital through economical operations, to continuously expand their scale of production, and to improve their technological and management skills, they will further strengthen their capability of self-reliance and will invigorate themselves. Once enterprises are invigorated, both the state's fiscal department and financial department will be enlivened. Only thus can the economy have benign circulation, and can rectification and consolidation achieve our expected goals.

Exploring Integration of the Planned Economy With Market Regulation

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[Article by Zhan Wu (6124 2976), State Commission of Economic Structural Reform]

[Text] Shouguang County of Shandong Province is a large agricultural county with a population of 960,000. In the early days of reform, the country carried out the contracted responsibility system with payment linked to output. Peasants became independent commodity producers and operators who assumed sole responsibility for their own profits and losses. This provided an important precondition for developing a planned commodity economy in the rural areas, so that the rural areas developed from a self-reliant or semi-self-reliant economy into a commodity economy. In the wake of in-depth development of reforms, however, new contradictions emerged. First, there was a contradiction between the approach of household operations, which were marked by sparse distribution, and a socialized market. Following commencement of operations by contracted households, the county's number of production operational units changed from 4,500 brigades to over 200,000 contracted peasant households. Meanwhile, a number of non-agricultural operations emerged following the development of secondary and tertiary industries in the rural areas. It thus became an urgent task to link such a large number of operational units to the socialized market. Second, there was a contradiction between a rapid increase of volume in rural commodities and constricted circulation channels. While the enthusiasm of peasants in production grew at an unprecedented rate, the variety of agricultural and sideline products increased with each passing day. However, these products could be consumed only locally because of sluggish market development, so that there was difficulty in selling and buying. Third, there was a contradiction between the expanding production operations for

rural commodities and the shortage of factors of production, such as manpower, capital, and technology. This was manifested mainly, on the one hand, in that about a quarter of the manpower in rural areas was lying idle, there was a "broken link" in the system of agricultural technology promotion, and as much as 100 million yuan of social capital was left unused; and on the other hand, in that rapidly emerging agricultural development, as well as town and township enterprises, urgently needed a large amount of manpower, capital, and technology. To coordinate a rational flow of factors of production and to optimize the combination were thus the critical points for further developing production.

In order to mitigate the above contradictions and to maintain a continuous, steady, and coordinated development in the county's economy, the Shouguang County CPC Committee insisted on adhering to the principle of integrating the planned economy with market regulation, and on making bold innovations.

First, by taking the strategic plans of socioeconomic development as guidance, use market regulation and other such means to optimize the composition of the rural economy.

Occupying a total area of 2,180 square kilometers, Shouguang County is located on Bohai Bay. Its northern coast is a large saline-alkaline beach, occupying some 56 percent of the county's area, which is rich in natural resources. Because of lack of investment, as well as its inaccessibility, however, this part is yet to be developed on a large scale. The southern part of the county is a traditional agricultural area, with some 1.5 million mu of fertile farmland. However, this part is so densely populated that its per capita arable land is less than 1.5 mu. Particularly when labor productivity was improved following reforms, its surplus manpower grew rapidly. The problem of insufficient arable land became more acute. This thus encouraged some people who possessed special skills to run other businesses. Some cultivated shrimp. Some went into salt or alkali production. Some entered into joint ventures. If we let things develop in their course, there was a possibility that various business operators would deviate from the rural strategic plan of socioeconomic development, which would lead to a reduction in the scale of agricultural production, in particular, grain production. Acting in accordance with the requirements for overall development of the national economy, as well as its natural resources, Shouguang County determined, upon analysis and comparison, its general strategy for socioeconomic development. It took as its guiding principle or framework, the county's economic development, as well as optimization of composition. It put forward a strategic plan that they would "suit measures to local conditions, undertake comprehensive development, provide guarantees for grain fields, expand the cultivation of cash crops, focus on the cultivation of grain and vegetables, and develop the production of salt, shrimp, and animal husbandry," and an overall plan that they would "grow grain, vegetables, and fruit in the south; produce shrimp, salt, and cotton

in the north; and develop rural industries and animal husbandry across the whole county." It stipulated that: 1) The basic position of grain cultivation in the planting industry must be safeguarded, and the proportion of growing area of grain to that of cash crops should be maintained at 6 to 4. 2) In industrial-agricultural relations, town and township enterprises should focus on the agricultural and sideline product processing industries and should develop agriculture by getting assistance from industry (at an annual rate of 10 million yuan), so that town and township enterprises can form a beneficial community with agriculture. 3) It should suit measures to local conditions in developing production. The southern part should focus on grain production, while simultaneously growing grain, cotton, vegetables, and fruits, and developing animal husbandry. The central part should focus on salt production, while linking together the production of agriculture, animal husbandry, shrimp, salt, and chemicals. The coastal area should focus on cultivation of shrimp, while raising shellfish and fish.

Whether or not the strategic plans are realized depends on the driving force of the market mechanisms and other methodologies.

The driving force of market mechanism is reflected mainly by whether the production of agricultural and sideline products conforms to market demand. In a certain period, many large and medium-sized cities actively developed the secondary and tertiary industries in their suburbs, so that vegetable production in these areas was reduced. Together with an increase in the income of residents in urban areas, this sharply boosted the demand for vegetables in both quantity and quality. Therefore, vegetables became a commodity in short supply. However, vegetable production has been a tradition of Shouguang County for more than 200 years. Some 60 percent of its households are vegetable growers. This thus made the county CPC Committee take vegetables as the pillar industry of its planned commodity economy. The county hence established a base for vegetable production. Some 18,000 households in 120 villages were dotted across the county and formed an intensive operation on an appropriate scale, thereby promoting large-scale production of vegetables. Beginning in 1984, its vegetable-growing area was increased to 350,000 mu. Its output reached 2.4 billion jin, and its annual gross income exceeded 150 million yuan.

Nevertheless, along with many production projects, which need to be developed, and grain production, which brings a rather low yield, we must integrate market regulation with the work of planning and administration. Only thus can we achieve the strategic plans without a hitch. In addition to the factor of market demand, grain production first depends on planned regulation, that is, issuing mandatory quotas on growing areas and output of grain down to the grassroots, and to use the quota as one of the criteria for cadre assessment. Second, it depends on ideological education. Third, it

depends on the amount of investment and the improvement of conditions for production. Fourth, it depends on the means of economic regulation. For instance, we may make peasants who grow high-yield vegetable and fruits deliver more to the authorities, and those who grow low-yield grain deliver less; and offer preferential terms in terms of production means to major households that sell grain to the state. Fifth, it depends on every aspect of social services. Sixth, it depends on the extent of "uniformity." It should strengthen its control of grain production, and educate the masses about and adopt administrative measures to counter the phenomenon of allowing farmland to lie idle.

Shouguang County worked out a strategic plan to optimize composition of the rural economy and for overall development of commodity economy in the rural area. By following changes in market demand, it was also good at taking the vegetable production base as the breakthrough point. It encouraged the growing of vegetables as an industry for getting rich, and used vegetables to promote the development of grain, and then to promote the development projects. It took the production of agricultural and sideline products as the "major industry," and the agricultural and sideline product processing industry, as well as the service industry, as the "minor industries." As these industries promoted each other, there was full-scale coordinated and steady development in the commodity economy of the rural area. In 1989, its gross value of industrial and agricultural output totaled 1.95 billion yuan, quadrupling its previous output value 11 years ahead of schedule. Its proportion of commodities increased from 30 percent in 1978 to 69 percent. There was steady growth in its gross output of grain and its output per unit area. Gross output increased from 670 million jin in 1978 to 1,158 million jin in 1989. The per unit area output of grain increased from 611 jin to 1,431 jin. The per capita output of grain increased from 799 jin to 1,360 jin. In a span of 10 years, it delivered in total 1,250 million jin of grain, 2.44 million dan of cotton, and 850 million yuan in taxes to the state. During the decade, the county's gross annual income increased by 24.6 percent on average. The per capita income increased from 74 yuan to 820 yuan, showing an average annual growth rate of 70 percent, which were respectively higher than the national level by 30 percent and 36 percent.

Second, give full play to the government's function of readjustment and control, and construct step by step a market system that takes the wholesale market of agricultural and sideline products as the core.

The first indication of integration of the planned economy with market regulation is the formation of a market system under the auspices of the government. Since 1984, the county CPC Committee has pooled funds from the county financial authorities, relevant departments, local towns, townships, and villages, and the masses to build 12 wholesale markets for vegetables, aquatic products, and livestock products, and 22 comprehensive agricultural trade fairs. At the same time, the

county basically formed a market system for factors of production by mobilizing and depending on departments directly under the county authorities, as well as all sectors of society, to set up more than 10 means of production markets (with an annual trade volume of 150 million yuan), a science and technology market (with a trade volume of over 100 million yuan when it opened in 1987), a capital market (with an annual transaction volume of 80 million yuan), labor market (arranging 18,000 laborers for development production and other labor activities), and so forth.

Another indication of integration of the planned economy with market regulation is the adoption of correct policies by the government for readjustment and control, so that the attraction and effects of the markets will be constantly enhanced. The main approach of the county was: 1) It rectified and consolidated the order of the market. On the one hand, Shouguang County actively arranged peasant-run businesses in the circulation channels and set up over 400 rural companies (stations) for purchasing and selling agricultural and sideline products, repaired 139 rural markets and trade fairs, increased the number of combined companies and individual households by more than 13,000, and increased the number of workers engaging in the transport of agricultural and sideline products to 30,000 people who handled 40 percent of the gross sales volume of vegetables. On the other hand, the county gave full play to the government's function of readjustment and control and rectified and consolidated the order of the markets. Administrative committees were formed by relevant departments as well as arbitration institutes in all large wholesale markets throughout the county. Six times in the last three years they conducted special consolidation of the markets and resolutely prosecuted criminals and lawbreakers who committed fraud, practiced speculation, and sold inferior goods. They also formulated more than 10 sets of relevant laws and regulations. By promoting the campaign of undertaking market activities in a civilized manner, one of the county's markets has been rated as a national-level civilized market, two have been rated as civilized markets at the provincial and city levels, and 46 have been rated as civilized markets at the county level. 2) It gave full play to the guiding function of the state-run commercial sector in the multichannel circulation, so that it became both the major force for invigorating circulation and a means for the government to readjust, control, and stabilize the market. There were close links between the state-run commercial sector and the county's supply and purchase cooperatives on the one hand, and markets across the country on the other. Shouguang County gave full play to the advantages of the state-run commercial sector, including its strong manpower, numerous outlets, better equipment, advanced technology, and vast network. Not only did it set up within the county itself village vegetable production bases and sales organizations, but it also established contacts with markets nationwide, setting up business links with over 500 vegetable-selling units in more than 20 provinces and

cities across the country and with vegetable circulation units in more than 80 large and medium-sized cities. As the state-run commercial sector reduced the sales difference between the peak season and the slack season, it has stabilized the market.

Readjustment and control by the government helped Shouguang County's markets play their full roles. The vegetable wholesale markets changed from being simply "shippers at the site of production" to "distributors of products." Not only did the county sell its vegetables to 24 provinces and cities nationwide through the wholesale markets, but it also sold seasonal vegetables and fruits shipped from other provinces and other counties in the province. The volume of transshipments reached 15 percent of gross sales volume of the wholesale markets. In addition, with the purpose of expanding the planned scale of vegetable production and sales and to increase sales volume it entered into a joint venture with Beijing this year to set up a Shouguang vegetable futures market.

Third, develop socialized services step by step and promote integration of the planned economy with market regulation.

Socialized services are a significant manifestation of "unification" in the two-tier contracted operations in rural areas with payment linked to output. To a considerable extent, with the support of socialized services, Shouguang County has developed its scale of operation and intensive farming. It now has 80 major households that annually deliver over 10,000 jin of grain to the state, 1,000 major households that earn an annual income of over 10,000 yuan by growing vegetable, 115 households that earn an annual income of over 20,000 yuan by cultivating shrimp, and 200 households that earn an annual income of over 5,000 yuan by growing cotton. This has sharply developed both the scale of mass production and the extent of prosperity. In addition, this has laid a material basis for fulfilling the state's purchase plans.

The socialized services link the sparsely distributed producers and operators to the uniform socialist market. Let's take vegetable growing as an example. Both the state-run commercial departments and vegetable wholesale markets have set up a system of information services, which are always linked to the large vegetable markets in 187 large and medium-sized cities across the country. Such information, together with the market situation, gives guidance to the vegetable growers. With the support of science and technology services, the county has realized changes in the variety and the growing of crops in four aspects, namely: 1) the switch from easily grown vegetables to delicate ones (which now account for two-thirds of output); 2) the change from limited variety to a large variety (the number of varieties was increased from four traditional ones to more than 60); 3) the change from growing alternative crops in the traditional order to growing in the reverse order, so as to make the best use of time; and 4) the change from the

traditional growing approach to one that causes no pollution (now applied to 100,000 mu of farmland). The supply of vegetables now remains brisk in the slack season; vegetables do not become rotten in the peak season, and are fresh and available throughout the year. With such a gratifying result, the supply-demand situation has reached harmony at a higher consumption level.

Socialized services are a means for integrating supervision of the market with its services, and market regulation with planned guidance. While wholesale markets establish service networks for purchase, supply, transport, transactions, information, living conditions, and so forth, the supervisory departments strengthen their supervision through the provision of services to the markets, improve services, and realize a better integration of market services with their supervisory functions. At the same time, the wholesale markets use economic means together with services to carry out the necessary and possible planned guidance. The establishment of networks for importation, sales, transshipment, and information, as well as of production and sales bases, not only brings prosperity to the wholesale markets, but also adds the factor of planned guidance to market regulation, which is favorable for balancing the supply-demand situation and for basically maintaining stable market prices.

Socialized services are an effective means for implementing the state plans. Both the state-run commercial sector, and the supply and purchase cooperative offer socialized services and preferential terms to peasants. First, they provide the peasants with science and technology services. There is a 220-member team giving guidance and instruction in the supply and purchase cooperative in the rural area throughout the year on the technology of growing cotton and vegetables, as well as making fruit products and livestock products. When 13 technical personnel of a fruit products company undertook farm work for 150 core orchards, including work of trimming branches, applying farm chemicals, applying fertilizer, and thinning flowers and fruits, there was such good results that the fruit growers preferred to sell their fruits to the company at a lower price. Second, preferential services are provided. Subsidies for interest payments and loans were granted to production bases that grow vegetables and cotton, and that raised geese, sheep, and so on. While the supply and purchase cooperative was responsible for the subsidies, it also purchased the products. A quantity of chemical fertilizer exceeding the planned quota was supplied at a price about 10 percent lower than the market price. In addition, they cut the charges for feed crop processing. With funds allocated from a variety of sources, such as charges, penalties, confiscated funds, and the county's budget, they purchased certain important livestock products at a protected price. Furthermore, in order to safeguard production, the cooperative conducted in Beici village an experimental risk-fund system for vegetable growing, under which part of the income of specialized households, retained profits of the cooperative, and the county's budget were allocated to a bank account intended for popularizing the growing of new varieties of

vegetables, granting subsidies, and supplying relief funds. Third, there was a development of agriculture-commerce combinations in the form of "associations for vegetable circulation," "joint associations of agriculture and animal husbandry," "joint associations of vegetable growers," and so forth. They pooled the economic interests of peasants and the economic results of the supply and marketing cooperative, and guided the scattered peasant production to develop within the state plan. As one-quarter of the county's vegetables and 30 percent of its fruit products were sold through the supply and purchase cooperative, the contracted purchase plan was easily fulfilled.

In Shouguang County, socialized services consist of the state-run sector, collectives, and individuals, with the first two being the major partners. There are various service systems for agricultural production, circulation, marketing, science and technology, processing, and the like, which were subject to the supervision of concerned economic departments. In order to prevent confusion among these departments, the Shouguang government reformed the system of economic administration. It formed a 10-member team representing the concerned economic departments, which was headed and empowered by the county leaders to coordinate relations among the departments. This thus formed a system of leadership that conformed to the needs for commodity production, and which effectively provided services before, during, and after production, and promoted better integration of the planned economy with market regulation.

In this respect, we have gained a good deal of enlightenment from the experience of Shouguang County in developing the planned commodity economy.

1. The planned economy must be integrated with market regulation, which is determined by China's socialist system. Planned regulation and market regulation are the two means of regulation in running the socialist commodity economy. These two must be mutually coordinated. Planning plays an important role as it reflects the overall development requirements of the national economy, as well as the overall interests of society. Market regulation must be subject to the guidance, readjustment, control, and supervision of the state. Market functions must not deviate from the goals of the state plans. Otherwise, we will be unable to rapidly establish either the market system or the mechanism; or they will be unable to function properly. Also, planned regulation must conform to the law of value, the rules of supply and demand, and the realization of planned objectives; and it must function smoothly along with the market functions. To have an organized market mechanism under planned guidance is an effective means for realizing the plans. If planned regulation is not based on the law of value or the rules of supply and demand, it is a deviation from reality and nothing will be accomplished.

2. The planned economy can be integrated with market regulation. Under the socialist economic system, which takes public ownership as the subject, a country can become the social center of regulation. Proceeding from the overall

interests of society, it voluntarily understands and applies the law of value and the rules of supply and demand to regulate the economic activities of society, thereby promoting systematic development of the national economy. It is absolutely possible for us to use the state's various economic, administrative, and legal means to establish a socialist market system and mechanism, and to gradually perfect them. Any kind of planned economy that sees the planned economy as conflicting with market regulation or that advocates an absolute planned economy will kill the economy. Acts of market regulation without careful consideration will turn the economy into chaos. Only when we flexibly integrate the planned economy with market regulation, can we effectively promote a continuous, steady, and coordinated development of the national economy.

3. The planned economy may be mutually integrated with market regulation in a number of ways. Only a small portion of China's commodity economy in the rural areas is put under the mandatory planning system. About 40 percent of commodities are purchased through the state's single-tier system, while about 60 percent is exchanged on the market. Under these circumstances, we must, proceeding from the experience of Shouguang County, maximize the functions of market regulation under planned guidance, which is the point where the prosperity of the rural commodity economy lies. As commodity production and market circulation are the two wings of a commodity economy, they are linked by coherent relations. Only when we have established and perfected the market can we promote production and bring prosperity to the economy, and can the masses get rich. If we only urge the peasants to develop production and do not undertake any market construction their products will not become commodities, and any development of production will eventually end in failure.

Study Marxist Philosophy Dialectically

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[Article by Li Jiapeng (2621 4471 4659), deputy chief of the Anhui Provincial Lecturer Mission]

[Text] Scientific theories can be grasped with scientific methods. As the most general scientific method for understanding and changing the world, dialectic materialism can certainly be applied to the study and research of Marxist philosophy.

How can we study philosophy in a dialectic method? In my opinion we should pay attention to the following three points:

First, Grasp the Essentials in Universal Relationships and Development

The dialectic method tells us that truth is universal. Marxist dialectics does not allow isolated, one-sided, static thinking. We must grasp wholly and accurately Marxist philosophical principles. How can we do that? It

requires that we apply to the study the dialectic viewpoints of universal relationships and permanent development. One of the basic traits of interrelationships is that the existence of a matter is characterized by wholeness, a structural nature, hierarchy, and openness. This holds true for Marxist philosophy as a reflection of objective regularity. So, to correctly grasp it, we must not only grasp its individual viewpoints and basic principles, but also their internal interrelationships, and the kind of structure and hierarchy in which they form a tightly knit whole, and its important relationship with other Marxist theories. To acquire meaning from isolated passages and take only what one needs is a serious pitfall in study. One of the characteristics in the permanent development of things is that all things exist as part of a development process. Objective things forever change with changes of time, place, and conditions, and so are theories which correctly reflect these things. Therefore, to grasp Marxist philosophy, we must understand the history of its development; otherwise we would very possibly set in contrast an argument made by revolutionary teachers at a particular time and place and under certain conditions with another argument made at a different time, in a different place, and under different conditions, and thus confuse and puzzle ourselves.

Judging from the history of the struggle in ideological line in our party, the mistake we are mostly likely to commit is one-sidedness. Materialism is often stressed at the expense of dialectics, or vice versa. Sometimes we oppose idealism with mechanistic materialism, or vice versa; or oppose both idealism and mechanistic materialism with variegated electricism and pragmatism. The result has been that we often jump from one extreme to another. Comrades who made this mistake are all divorced from the viewpoints of relations and development. They quoted isolated phrases and passages from Marxist works as defending their own mistakes. Such practice, in fact, degrades Marxism. The materialism of Marxism is dialectical materialism, and the dialectics of Marxism is materialistic dialectics. Only a complete and accurate understanding of the Marxist philosophical system can enable us to understand individual Marxist philosophical conclusions and principles.

Marxist philosophy itself has also developed amid the struggle against both extremes and that between the two lines. Marx and Engels criticized successively the idealism of Proudhon, Lassalle, and Hegel, Duhring's world view, defended the principles of materialism, and criticized mechanical and vulgar materialism. After the 1850's, scientific and philosophical circles were besieged by mechanical and vulgar materialism, which was shown even in the workers' movement. So Marx and Engels stressed more of the dialectic principles during this period. The times in which Lenin found himself were different. In philosophical circles, bourgeois professors were advocating revisionism, and materialism had been dumped, while idealism and agnosticism were the leading schools of the day. So Lenin had to defend and develop the materialistic foundation of Marxism. In

China, before the founding of the PRC, Comrade Mao Zedong's philosophical struggle was directed chiefly against the subjective idealism and metaphysical thinking of persons such as Wang Ming. Mao expounded relatively comprehensively the principles of materialism and dialectics and contributed to the development of Marxist philosophy. But for a long period after the founding of the country, and especially between the start and end of the 1959 Lushan Conference and the Great Cultural Revolution, idealism and metaphysics grew unchecked—a result of a biased and exaggerated stress on human subjective and dynamic functions, and there were enormous losses. Following the Third Plenary Session of the 11th Central Committee, the overall situation was good. We criticized the "two whatevers," corrected idealism and metaphysics, and restored the ideological line of seeking truth from facts. But problems remained. First was insufficient stress on the dynamic functions of the spirit. The lack of attention to the construction of spiritual civilization and ideological education was particularly serious several years ago. Second, from 1984, economic construction was divorced from national condition, exceeded the national strength, and suffered from an overzealous drive for achievement. To resolve these problems, apart from correcting the error in work guidance, for the broad masses of cadres there must be a correct summing up of historical experience, and they must study and fully and accurately grasp the scientific system of Marxist philosophy in the context of relations and development. Only thus can we grasp the regularity of socialist construction in our country, and avoid following a zigzag course and the mistake of incompleteness.

Second, Grasp the Essentials in the Unity of Opposites

In the varied relations of things there are relations of nonessential and essential natures. The inner contradictions of things are essential relations. The fundamental law of the movement of contradiction is the law of the unity of opposites. Contradiction is the dynamic force behind objective things and the development of human understanding. The study of Marxist philosophy observes also the law of the unity of opposites, and we should consciously apply the viewpoint and analytic method of contradiction to the study.

One of the very important components of the contradiction viewpoint is the viewpoint of struggle. For human understanding, truth always exists in relation to falsehood, and truth always develops in its struggle against falsehood. The process of the study of Marxist philosophy should be one that simultaneously breaks various falsehoods and prejudices and struggles for truth. Theoretical struggle is the dynamic force behind its development. Following the Third Plenary Session of the 11th Central Committee, there existed for a long time on the theoretical front the debate between adherence and development. In this struggle we broke the confinement of the "two whatevers" and effected a great ideological liberation. In the future we will continue to liberate thinking and oppose a fossilized attitude and a doctrinal

understanding of Marxism. However for a period some people traveled to another extreme. Under the excuse of "development," they tried to abandon Marxism-Leninism and Mao Zedong Thought and create another set of ideas. Some half-baked scholars mixed science with subjective creation and pure inventions; at any minute they could produce a so-called "completely novel system" with which to replace Marxism. They tried to pass off capriciously made pseudoscience and "fearless" gibberish for profound thinking. Philosophically they tried to replace materialism with the so-called indivisible nature of subjective and objective worlds, replace dialectics with the methods of natural science, negate historical materialism with anthropocentrism, race studies, and geographical environment. They oppose the viewpoint of practice with pure idealistic theories, class and class struggle with theories of human nature, the viewpoint of the masses with "elitism," communistic life outlook and value concepts with individualistic life outlook and value concepts. They have merely performed a string of mini-farcies in the history of philosophy. They publicly announced that "materialism has been proved false!"¹ The philosophical struggle has penetrated areas such as political science, economics, history, journalism, and sociology, and has infiltrated political, economic, intellectual, and cultural struggle. Under these circumstances, safeguarding the purity of Marxism becomes an urgent task, which is also the premise for the development of Marxism. As Lenin said, in a time when social life is undergoing radical change, "different kinds of 'fellow travellers' in the Marxist movement are all under the influence of the bourgeoisie"; as a result, the theoretical foundation and principles of Marxism are subject to distortions from a totally different direction. Therefore there is nothing more important than to unify Marxists who sense the depth of the crisis and the necessity to overcome it in order to jointly defend the theoretical foundations and basic principles of Marxism.² History often repeats itself under new conditions. In the last 20 or 30 years of the 19th century, because of capitalism's relative stability and peaceful development as a result of the discovery and application of electric energy, which marked the technological revolution, the bourgeoisie stepped up their efforts to train workers' nobility, and opportunists such as Bernstein and Kautsky all made their appearance in the international communist movement. In the last several decades of the 20th century, with the relative stability and peaceful development of monopolistic capitalism brought about by the new technological revolution, the international capitalist class had stepped up their efforts to train dissidents within socialist countries and buy up the working class of these countries. So again there are now anti-Marxism forces plying the international and domestic scenes, dressed in various kinds of "new authority." In this situation, our study and combat are obviously the two sides of the same coin. Distinctions come with comparison, and development amid struggle. Only studying in comparison and struggle can we profoundly grasp Marxist philosophy.

Third, Grasp the Essentials in the Relationship With Reality

There are two very important viewpoints in Marxist dialectic materialism. One is the view that subjectivity is identical with objectivity, and the other is practice. If we apply these two viewpoints to theoretical study, we will find a certain direction and method in which theory is linked with practice. The direction and method embody in their own way the requirements of Marxist scientific methodology. They stress a specific historical unity of subjectivity and objectivity, and the unity of theory and practice because only with the realization of this unity can the real philosophical nature of Marxism be fulfilled, and only on the basis of the practice can the unity of the revolutionary and scientific nature be fulfilled. And only by realizing this unity can we turn correct theory and viewpoint into a material force with which to change the world. Theoretical study will only be truly digested and absorbed when it is related to practice. The error of a doctrinal attitude lies in abstracting Marxist philosophical principles and not taking it as a scientific method with which to analyse specific problems. Instead, the attitude turns it into an empty, fossilized, and arbitrarily applied formula. And in this way the Marxist soul of seeking truth from facts is lost, together with its real scientific nature, and it is turned into a thing that is antialectic and antiscientific. Relating theory to reality cannot be achieved in the short term, like "creating the shadow of a pole you erect against the light." It is not as immediate as donning a hat or boots or attaching whatever labels are at hand. It not only requires us to "understand both words and passages and the sense behind them" to find out the controlling theme and to be good at applying the Marxist stand, viewpoints, and methods in coming to grips with problems, it also demands that we apply what we are studying, study what we are applying, and guide practice with theory, and develop theory with practice. Marxist philosophy is a scientific world outlook and methodology and therefore can be applied to a wide range of issues. To give play to the power of Marxist philosophy in relating theory to practice, we must be good at injecting philosophical thinking into a wide range of ideological work and practical affairs. Our education in the general situation, party spirit, national situation, democracy, and the legal system should all be penetrated by a Marxist world outlook and method. Thus, these disciplines will acquire a scientific theoretical foundation and will be more persuasive and profound. The key points in establishing relationships with reality should be problems that the masses are most concerned about. All our political, economic, and cultural work should be investigated and studied through the Marxist world outlook and method and on the basis of vast data so that there can be correct analysis of new situations and resolution of new contradictions. Various individual sciences such as politics, economics, sociology, jurisprudence, literature, history, and natural sciences should all be guided by Marxist philosophy. Along with a further grasp of knowledge in various fields and data, we search for the law of the

movement and development of the social and natural worlds. In establishing relationships with reality, we should refrain from sweeping generalizations. Various people and work have different key points where contact with reality is made. We should also refrain from establishing relations with reality as we would with a "short-lived fashion." Study does not need to be fashionable, we need not be formalistic and put up fronts. Only in long-term, arduous study and a continuous process of reforming subjective and objective worlds, will the Marxist stand, viewpoint, and method be impressed on our minds, and, thus, relating theory to practice will be habituated and regularized, and can be exercised at will, and it is a "lifelong benefit."

It is good to study philosophy. But it is bad if it is not studied correctly. Here historical experience can serve as a reference. In 1958 some people said "land yield depends solely on how ambitious we are." In the Great Cultural Revolution some people practiced the "philosophy of struggle" which aimed to strike down everything. In the recent debate over adherence and development, there have appeared the practice of negation under the excuse of "development," and empiricism in practical work which tends to neglect theories. All the dangers brought about by these wrong tendencies have provided valuable experience and lessons for us in learning how to study and grasp Marxist philosophy. Today, if we can really turn experience into wealth, take the stand of the proletariat, have a partisan spirit, study arduously, and grasp wholly Marxist philosophical theories in establishing relations with reality, in criticizing wrong tendencies, and in struggling against the ideologies of the exploiting classes at home or overseas, then the present partywide, national activity of the study of philosophy will develop healthily, with the result that the theoretical thinking power of the whole people will be improved, and our country's modernization and the development of reform and opening up will be effectively advanced!

Footnotes

1. Jin Guantao: *The Philosophy of Man*.
2. *Selected Works of Lenin*, Volume 2, p. 402.

Sum Up Experience, Strengthen the Building of Marxist Historical Science—Roundup of the 1990 National Theoretical Seminar on the Science of History

HK1606083190 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 10, 16 May 90 pp 46-47

[Article by Li Zhenhong (2621 2182 1347) of the History Department of Henan University]

[Text] The 1990 National Theoretical Seminar on Historical Science was held from 26 to 30 March. The participants, numbering almost 100, aired different opinions on how to make a theoretical summation of the

development of New China's historical science over the last 40 years. They made progress on understanding the following basic questions:

I. On Making a Basic Appraisal of the Development of Historical Science Over the Last 40 Years

The participants unanimously pointed out that China has made tremendous achievements in developing its historical science over the last 40 years. These achievements find expression in more than 1,000 kinds of special articles on historical science as well as in the explorations of a number of major research fields, including the division of ancient Chinese history into stages, land ownership, the peasant wars, the ethnic community, and the emergence of capitalism. More importantly and significantly, we have established the role of the materialist historical concept in guiding the study of historical science and have extensively popularized the materialist historical concept in teaching and studying history, thus turning Marxist viewpoints and methods into historians' theoretical concepts. The participants reviewed the difficult course they had traversed in carrying out historical research, popularizing the materialist historical concept, and using Marxism to transform the old historical science in the early days after liberation. They stressed that these tremendous achievements over the last 40 years should not be underestimated, and pointed out that the application of Marxism was the basis of their major achievements in the research of historical science over the last 40 years.

Some academics pointed out that the propagation, research, and application of the materialist historical concept by people in the field of historical science over the last 40 years are still at the initial level, and all this only amounts to initial popularization. Examples are these: There are still signs of dogmatism and book worshipping in our application of historical science, with the occasional emergence of metaphysics; and some basic Marxist historical viewpoints are oversimplified and distorted in studying many historical problems. Other academics said that when "leftist" mistakes were being rectified in the late 1970's and the 1980's, the materialist historical concept was regarded as dogmatism and was weakened. This tendency should be corrected.

Reviewing the past 40 years, the participants deeply understood this: The achievements in historical science over the last 40 years should be attributed to Marxist guidance; errors in historical science over the last 40 years have resulted from our nonscientific understanding of Marxism; and, because they have restudied and reunderstood Marxism, they have been able to soberly analyze and sum up their problems. Therefore, their summation of the development of historical science over the last 40 years has made them better understand the utmost importance of adhering to Marxism in the study of historical science. Of course, this understanding is based on their conscientious study of Marxism. We should, through arduous research work, master the

essence of Marxism and bring its role in guiding historical science onto a new scientific basis.

II. On the Relationship Between Historical Science and Reality

Most academics felt that the development of Chinese historical science over the last 40 years is closely connected with China's real life and politics. The participants aired all kinds of views on how to understand and treat this phenomenon in historical science.

Some academics said that the research purpose of historical science is to "seek truth." As a branch of science, historical science should in the first place bear a scientific nature and serve reality and politics on the basis of seeking truth; it should not lose this characteristic because of serving reality. Some participants pointed out that historical science should be combined with politics; this is not only the tradition of Chinese historical science, it is also the case with Western historical science. "Seeking truth" is not the ultimate purpose of historical science; the purpose of "seeking truth" is to solve actual problems, therefore historical science should not be confined to "seeking truth." Some academics said that one should not only talk about using historical research to serve reality and politics, but should also stress the importance of drawing experience from history in real life and politics. Historical science should be a guide to social activities instead of just trailing behind real life.

Some academics pointed out that the initiative of historical science should be brought into play in serving and guiding real life. But other academics said that the function of historical science is to study and preserve a rich historical heritage for human development. Proceeding from the interests of the entire nation through their hard work, historians should provide rich and truthful historical knowledge for the people so as to improve their cultural quality.

On the relationship between historical science and real life, most of the participants maintained that historical science should serve real life and that under no circumstances should it be separated from the era it is in; without its era value, there can be no progress in historical science. But the era value of historical science should not be set against its truthfulness. To serve real life, truthfulness should be taken as a precondition. Genuine historical enlightenment cannot stem from false history. The more selfless historical research is in nature, the more reliable historical experience it can provide for the development of real life.

III. On Introducing Western Historical Science

Most of the academics attending the seminar pointed out that marked achievements have been made over the last 10 years in introducing and studying Western historical science. We have translated and published a large number of famous works on Western historical science and introduced the latest academic achievements and schools in contemporary international historical science,

thus providing certain conditions for people in Chinese historical scientific circles to understand the world. These achievements portray the glory of the party's open policy. But at the same time we should also understand that the work of creatively studying Western historical science has just started and that more attention is necessary in this respect. Generally speaking, we are still in the period of translating and introducing Western historical science, and there are not many theoretical articles on Western historical science. In most cases Western historical science is introduced without profound analysis, just word-for-word translation. Influenced by the ideological trend of "overall Westernization," some articles have also emerged that express blind faith in Western historical science in an attempt to substitute it for the materialist historical concept, thereby drawing wrong conclusions.

The participants pointed out that to develop Chinese historical science and form a system of Marxist historical science with Chinese characteristics, it is necessary to appropriately introduce Western historical science while paying attention to the following points: Western historical science should be combined with Chinese historical science when it is introduced to China. Western historical scientific theories and methods should be combined with specific historical scientific research, overcoming the habit of engaging in empty talk about theories and methods. Western historical science should be combined with Chinese traditional historical science, otherwise it will be difficult for the essence of Western historical science to exist and develop. It is necessary to seriously study the change, development, and progress of Western historical science and its theories. Western historical science should be introduced in an analytical way, and no copying is allowed. Western historical science should be combined with the main concept of Chinese historical science according to the principle of "making foreign things serve China" while preventing "overall Westernization" and mechanical copying. Some academics suggested that we should concentrate our main efforts on studying the change and development of Western historical science, because this will help us absorb useful and healthy things from it.

IV. On the Establishment of History Theory as a Field of Study

The establishment of history theory as an independent field of study started in 1978. Major achievements have been made in this respect over the last 10 or so years. The main examples are as follows: Systematic and effective research has been conducted into the objective, task, scope, and system of history theory; over a dozen kinds of articles, theses, and teaching materials have been published, receiving much attention from historical study circles; history theory has been recognized as an independent branch of science and has become an important subject in this new era of historical studies; a great deal has been done and initial achievements have been made in restudying Marxism, eliminating "leftist" influence, and bringing order out of chaos in the field of

historical science; a wide field of historical research has been created; the theory of historical knowledge and historical methodology has been strengthened; apart from the study of materialist historical methodology, a field has been provided for introducing and conducting research into multiple branches of science and Western methodology of historical science. These theoretical studies have played an important role in enriching and adjusting the theoretical concepts and thinking methods of historians, thus bringing about prosperity and development in historical research and forming a theoretical contingent specialized in the research in history theory.

The participants also felt that there are some problems in the study of history theory: The study of history theory is separated from specific historical research and theoreticians seldom use their own theories and methods to solve specific historical problems, and, as a result, it is difficult to establish their own theories; they lack a cautious and practical style; some theoreticians like to talk glibly about new terminology and concepts rather than creating new theories; they indiscriminately follow Western schools of history theory in forming theoretical systems, thus damaging the reputation of history theory as a field; a small number of theoretical articles and theses show prominent signs of belittling and downgrading Marxist historical theories.

The participants raised many suggestions on how to strengthen the formation of history theory as a field: It is necessary to profoundly study and understand Marxist historical theories and apply Marxism at a new departure point. It is necessary to combine theory with practice and integrate the research of history theory with specific historical research. It is necessary to strengthen the study of the history of the development of the study of Marxist history and sum up and assimilate the successful experience in applying the materialist historical concept to historical research. It is necessary to appropriately introduce and profoundly study Western historical science and conduct comparisons between Chinese and Western historical sciences. And, it is necessary to inherit fine theories of ancient Chinese historical science and use our national soil to nurture our modern theories of historical science with the aim of forming a theoretical system of Marxist historical science with Chinese characteristics.

'Spirit Revealed in Trifles'—Watching Teleplay *There Is Such a Policeman*

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[Article by Peng Jiajin (1756 0502 3866)]

[Text] A contemporary poet once said that someone lives, but is a dead man; someone dies, but lives. The leading character in the teleplay *There Is Such a Policeman* (jointly filmed by Shanxi Television Station and Datong City Public Security Bureau), Yang Mingguang, is undoubtedly a man who died, but still lives.

When he appeared on the screen as a cancer patient struggling to stand guard for the last time, the pedestrians stood silently with deep affection, and his fighting companions saluted him, raising their heavy hands. Sitting in front of the television set, we could not hold back our tears. The respect we have for him makes us unable to face such a fact; we hope he will live, and our society cannot do without a number of such people who really can be called its pillars.

In reality, he was an ordinary person. He had no earth-shaking undertakings, nor made heaven-battering speeches. What he did was to be loyal to his own duty and to serve the people diligently, doing what he should do and could do. However, because of this, something extraordinary emerged from his ordinariness, and greatness and loftiness emerged from his being common.

The reason *There Is Such a Policeman* is so moving is that it does not borrow from exaggeration nor from some purely accidental theatrical conflict, but simply depicts the daily behavior of the leading character, who touches people's hearts with his inner lofty spirit, making you weep and arousing your respect, and you will miss him. This is the artistic feature of the teleplay: spirit revealed in trifles. Everything is ordinary, but when it "accumulates," it enables us to see a spirit deep inside it; everything is common, but when it is so common as to become a kind of self-conscious action of the leading character, its greatness and loftiness cannot but emerge.

As a policeman, it is relatively easy to enforce law strictly and treat people politely. But how many people can love and care for everyone with a kind of selfless sentiment like Yang Mingguang? Facing Sun Yan, who had violated traffic regulations, refused to obey management, said some hostile words, and acted like a delinquent, he not only controlled his emotion, but also fixed the bicycle for her, and wrote an enthusiastic letter to help her. When he discovered a lost child, he was even more worried than the parents of the child, and he gave up meals and rest for investigation until he sent the child back to her parents. When he fell ill from excess work, he felt nervous about living in a room for high-ranking cadres... "Eat grass and give milk," the spirit of Yang Mingguang resembles that of Lu Xun.

All these cannot be viewed as writing about good people and good deeds with fancy phrases. A work that writes with fancy phrases about good people and good deeds lacks attraction because it does not go deep to the heart of the character, and because it usually avoids the real and profound character conflict and social conflict.

There Is Such a Policeman is different. Yang Mingguang is not a man who leads a life of seclusion, and in such a bustling daily reality, it is impossible that he has no desire nor sorrow. He had already wished that he could be a good father and good husband, but he even had not once gotten his wish of taking his family to the park. Facing his wife's censure, he could only apologize with a guilty conscience. In this kind of unspeakable embarrassment, we can feel his conflict and sorrow. If we say all these details are confined to his family and his character, then his trip to buy the *Diary of Lei Feng*, his handling of the conflict with Sun Yan, and his luck during the distribution of housing led the conflict to the society, enabling the work to gain the width and depth of social and cultural critique.

A character such as Sun Yan is not just an individual existing in literary work or in social life. The slide in spiritual civilization is clearly manifested in a character such as Sun Yan. Therefore, what is done by Yang Mingguang is not simply mediation or handling a case of violation of traffic regulations, he is helping a generation to walk to civilization and loftiness with his own radiance and warmth.

Undoubtedly, in terms of length and topic, the time and space of this work is short and narrow. It is only a description of the last moment of life of Yang Mingguang in a stereotyped manner. However, in terms of the psychology related to time and space under consideration, it is long and broad. The lofty spirit of Yang Mingguang is an inheritance of the outstanding moral character of our national tradition, and the development and improvement of it in the new period.

I remember a theoretician who once said that a literary work without a typical character with a positive ideal is a work with shortcomings. Here, with the image of Yang Mingguang, *There Is Such a Policeman* makes up for the inadequacies found in works of an earlier period. For this reason, the attention it gets from people is not accidental.